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# SPENDER WARNING ON JAPAN'S RESURGENCE

## Australian concern over the terms of the peace treaty FEELING OF INSECURITY

Manila, March 27. The Australian Minister for External Affairs, Percy Spender, in a speech to the Philippine Senate today, warned against the possible resurgence of Japan as a militaristic Power and demanded a voice for the nations that helped defeat Japan in the drafting of the peace treaty with that country.

Mr. Spender, who addressed the Upper Chamber for 20 minutes, said: "We are very much concerned about the kind of peace we are going to have with Japan. We want to see that there is not resurrected a militaristic Japan."

By reason of American occupation, he said, Japan is being restored. "The occupation is doing a good job in Japan but we have some misgivings."

### Guerilla activity in South China

The Central-Southern Military-Political Affairs Commission yesterday publicly admitted that anti-Communist guerrilla bands are operating in various parts of Kwangtung and Kwangsi, according to reports from Canton.

The areas include Luk Fung County, big rice producing coastal region midway between Hong Kong and Swatow. It is here where the Chinese Communists made their first attempt to set up a Sovietised administration in 1925-27, under the leadership of Peng Pai, son of the then wealthiest farmer in the county.

The Commission's statement said that the guerrilla force in Luk Fung County called it self the "Long Haired Party."

Its members had raided Government granaries, instigated revolts, murdered tax collectors, and supported opposition to taxes.

Three of the ringleaders of the party have been arrested, added the statement.

The statement said that similar acts were carried out in other areas by the anti-Communist guerrillas.

### LABOUR MP DIES

London, March 27. Mr. F. A. Cobb, Labour member of Parliament for Leamington and Spenborough, died today, reducing the narrow Labour majority in the new House of Commons to three.

It was the second death in 10 days of a Labour member in the new House elected on February 23. The by-election to fill the West Dorset seat was won by the Conservative Mr. Adam McInlay on March 16, has been tentatively set for April 17.

Mr. Cobb won his seat in the February general election by a majority of 2,132 over Mr. W. E. Woolley, a National Liberal—an adjunct of the Conservative Party.—United Press.

### The Weather

At 0800 GMT (3 p.m. HKST) the deep depression now centred over the Pacific E. of Japan continues to move NEwards. To the N. of the depression a shallow high pressure system extends from Korea to the Aleutians. Light variable winds, mostly with scattered fog patches at first, becoming fair in the afternoon, continuing warm.

Yesterday's weather:—  
Maximum 82.5 deg. F.  
Minimum 68.5 deg. F.  
Rainfall 0.8 inches.  
Relative Humidity 75% at 10 a.m.  
Average wind speed 11.2 m.p.h.  
Direction of wind S.W.

Today's Forecast:—Light variable winds, mostly with scattered fog patches at first, becoming fair in the afternoon, continuing warm.

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Relative Humidity 75% at 10 a.m.  
Average wind speed 11.2 m.p.h.  
Direction of wind S.W.

### IS THIS A FAKE?



If this picture a fake? Mr. Harold Stassen, President of the University of Pennsylvania and former candidate for the Republican nomination for the U.S. Presidency, says it is. An official picture issued by the Russian Government, it purports to show Stalin voting in the Lenin election district of Moscow a fortnight ago, during the elections to the Supreme Soviet. Mr. Stassen, however, says the picture is at least 10 years old. The implied suggestion is that the Soviet Dictator is dead or seriously ill.—(Associated Press Photo).

## Fate of British ship rests with military court

Taipei, March 27. The fate of the British freighter Caduceus, under arrest in Taiwan since February 16, is to be decided by a Chinese military court. Its decision will be final.

The Caduceus, of 4,446 gross tons, was detained just as she was about to sail to Hong Kong from Kaohsiung, in South West Taiwan, after her first trip to this Nationalist island.

Her crew consisted of four British nationals and 63 Chinese.

Nationalist authorities arrested the ship on suspicion that she had passed, or was about to pass, to Communist ownership.

The action was taken after several Chinese members of the crew produced cards showing they belonged to a Communist seamen's union.

The four British officers were placed under cabin arrest at first, then under ship arrest.

They were the Australian skipper, Captain Ronald Hay Conway, of 38 Halsfield Street, Hursley, New South Wales, Australia; the Chief Officer, John William Layfield of Swansea, Wales; the Chief Engineer, Norman S. Halladay of 41 Salisbury Avenue, Preston, North Shields, England; and the Second Engineer, George James Groskop, of Barry, Glamorgan, Wales.

Mr. Conway was given permission by the authorities to come to Taipei last week to submit a report to the British Consul, Edward T. Bligg, and to discuss the case with the Governor of Taiwan, Mr. K.C. Wu.

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## CHAMBER CRITICAL OF PRICE CONTROL

Comment on continued price control, described as one of the relics of the old regime, on the method of carrying on trade with Japan, and on Government's proposal to increase taxation, was made at yesterday's annual general meeting of the Hong Kong General Chamber of Commerce.

Mr. P. S. Cassidy, Chairman, said that many merchants found price control a thorn in the flesh and would like to see the last of it.

Mr. S. Storm Jorgensen, who seconded the Chairman's report, said that the present way of doing business with Japan carries such undesirable features as a black-market in so-called Japan dollars in addition to subsidising of export goods at the expense of import commodities.

In a separate statement on proposed increased taxation, Mr. Cassidy said that it is generally agreed that any increase would not only add to the present unfairness but that it would lead to still further evasion.

"If a division is challenged on the Second Reading of the Bill, the fact that there was opposition from the Unofficial Members will be brought to the attention of the Secretary of State," said Mr. Cassidy.

He added: "But I feel myself that it is useless to expect any sympathy with our protest against higher taxation, either from the British Government or from the British voter. Our complaint is a domestic one for which we can only obtain a remedy by convincing the local administration that they have adopted the wrong course."

"Whether what was said in the debate last Wednesday will lead to Government dropping its present proposals we shall know in 48 hours' time, but I am not very hopeful," said Mr. Cassidy.

Proposing the adoption of the annual report and accounts, Mr. Cassidy said: "Law and order and a stable currency are the main contributions to our good fortune, but these might have been in jeopardy if it had not been for the prompt despatch of reinforcements by the British Government to strengthen the defence of the Colony."

"We must also acknowledge the service rendered by the Hong Kong Government, both in its administrative and technical branches, which despite the handicap imposed by shortage of staff has coped manfully with many difficult problems, not the least of which are those directly arising from the grossly overcrowded state of the Colony."

The remaining 50 Chinese were confined to the saloon under armed guard for four days, the first 24 hours without food. They were taken away in trucks. Deprived of their services, the ship was without light or power. Water had to be hand-pumped and kerosene lamps had to be used.

No communication in or out of the ship was permitted.

Mr. Conway said the Caduceus was registered in Newcastle-on-Tyne. She was bought by Walwyn and Company of Hong Kong from Hall Brothers, of Newcastle, England, for £100,000, and arrived in Hong Kong at the end of December.

After being reloaded there, she sailed for Keelung, where she arrived on February 4 and discharged part of her cargo. The rest was discharged at Kaohsiung, where she arrived on February 12.

She never traded with any Communist port, Mr. Conway declared.—Associated Press.

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### FRENCH C-IN-C TO VISIT HK

General Marcel M. Carpentier, Commander-in-Chief, French Far East Forces, will visit the Colony at the end of the week for a few days. He will be accompanied by Madame Carpentier and they will be the guests of the Governor.

Although the General's visit is private he will take the opportunity of touring the New Territories and visiting a few units.

General Carpentier, who is 54 years old, entered the Saint-Gyr Ecole Special Militaire, the French Military Academy, in 1912. He was commissioned the following year.

During World War I he served with the Infantry in Belgium and saw action at Marne, Arras and the Vosges. He was awarded 10 decorations, including the Chevalier of the Legion of Honour and the Croix de Guerre with five citations.

Between the wars he had several important appointments including a tour of duty with the French Military Mission to Brazil.

Holding staff appointments under General Weygand in 1940, and later Command of a regiment in Tunisia, General Carpentier was appointed Chief of Staff to General Juin in 1943 with the rank of General de Brigade.

Later he held further staff appointments with the French Expeditionary Force in Europe and succeeded to the command of the 2nd French Division. He assumed his present appointment last year.

Among the General's many foreign decorations are Commander of the British Empire and the American Legion of Merit.

### RAF IN ACTION

Singapore, March 27. Waves of Royal Air Force bombers, including heavy Lincolns, today pounded for 30 minutes an intensive area of Malayan jungle known to be hiding a terrorist concentration.

The attack was covered by low cloud. The jungle was strafed by machine-gun fire. The bombers struck in the Pahang district of Negri Sembilan, in the Southern Malay States.

—Reuters.

## "Tiger balm king's" version of foreclosure in Canton

Singapore, March 27. The "Tiger Balm King," Mr. Aw Boon-haw, said here today that he was much surprised and regretted what had happened, but he was not at fault and so his conscience is clear, and in an interview by the Singapore Chinese newspaper, "Sin Chew Jit Poh," in connection with a Hong Kong report that the Canton authorities had foreclosed his Canton office.

Giving his version of the incidents which led to the misunderstanding between him and the Canton authorities, Mr. Aw told the "Sin Chew Jit Poh" that he bore no ill-will against the People's Government and that, as a merchant, he had never refused to pay any tax that was his due.

Mr. Aw, however, pointed out that the Canton Municipal Government was not taking in any personnel, and that the Canton Municipal Government was not taking in any personnel, and that the Canton Municipal Government was not taking in any personnel.

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- Page 14: Sports.



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## Personalia

Nine Europeans, including a two-and-a-half year old girl, left Hong Kong for Timor yesterday by the ss. Hupeh. They are Mr. and Mrs. W. Wadde, Professor and Mrs. J. A. Richards, Mr. and Mrs. E. Whelan, Miss N. K. Whelan, and Messrs. C. O. Gollan and E. Alken.

Other passengers who boarded the ss. Hupeh yesterday for Timor included Mr. and Mrs. J. G. Cotesworth and two children and Messrs. S. Rellon, Shiu Suk-woo and Kim Jun-shok.

Mr. and Mrs. E. A. R. Newton left Hong Kong for Genoa by the ss. Automedon yesterday.

Captain W. Bamra and Mr. C. H. Blake left for the United Kingdom yesterday by the ss. Automedon.

Messrs. F. W. Allan, R. H. Lar-char, E. E. Pascalis and R. Serra were among those who left the Colony for Saigon by Air France yesterday.

Week-end departures from the Peninsula Hotel included Mrs. P. C. Chang, Mrs. A. J. Hill, Major and Mrs. J. D. H. Chapman, Mr. and Mrs. H. D. Baldwin, Mr. and Mrs. J. H. Blair, Messrs. J. E. Poulton, R. N. Thompson, A. Kitchener, R. G. Graham, S. C. Norris, E. Cathie, J. F. Walker, E. Moller, G. Fletcher, N. White, J. A. McConnell, S. M. Keeney, and M. V. Berg.

RO FINED ON  
TRAFFIC CHARGE

For driving car No. 2188 without a valid licence on Saturday evening, Peter Brant, 30-year-old Revenue Officer, was fined \$150 by Mr. Hin-shing Lo at Central yesterday.

Inspector Wheeler said that about 5 p.m. Brant borrowed the car from the manager of the White Horse Bar in Lockhart Road. He told the man that he held a licence. The car was driven by the defendant to the Victoria Barracks and then later taken to the New York Bar.

About 9 p.m. Yuan Yun-kam noticed that the car was damaged and as he was arguing with the defendant about the payment of \$50 for the hire of the car, he (Inspector Wheeler) arrived on the scene, and on finding that Brant had no licence to drive placed him under arrest.

Brant, who appeared in Court late, said that he had been on duty and asked to be excused.

He pleaded guilty to the charge, a fool after having a few drinks. He told the Court that he would soon be leaving the Colony for home as he was quitting the Revenue Department and could not find another job in Hong Kong. He said that he was a native of Manchester and his wife and daughter were in England.

In finding him guilty, the Court said it was a very serious offence to keep the Court waiting. His offence against the traffic regulations was also very serious, but in view of the fact that he would soon be leaving for home he was being dealt with leniently.



General Sir John Harding, KCB, CBE, DSO, MC, Commander-in-Chief, Far East Land Forces, and Air Marshal F. J. Fogarty, CB, DFC, AFC, Commander-in-Chief, Far East Air Force, arrived from Singapore by a special Royal Air Force aircraft yesterday. Photo shows Air Marshal Fogarty chatting with an RAF officer at Kai Tak after the G-101's arrival. General Harding is to the right of the Air Marshal. ("China Mail" photo.)

Communist ships  
in HK harbour

(By Our Harbour Reporter)

The position of the Communist-flagged ships in Victoria Harbour—13 of the China Maritime Navigation Steamship Company and four of the Chinese Maritime Customs—is still obscure.

Hitherto, no plans have been drawn up by the respective organisations for future operation of their vessels, all of which are at present laid up.

A senior official of the CMC stated last evening that the local office is awaiting instructions from Peking.

He denied vernacular reports that personnel of the four remaining CMC cruisers in port are being sent to Shumchun for training. "The men have been working on board the vessels all along," he added.

The CMCN, which switched allegiance early this year, also has no plans for its laid-up ships. Four, however, have been offered to the local public as floating godowns. So far, only one is being utilised; the others are still waiting to receive cargo.

According to a responsible official of the CMCN, one or more Nationalist naval craft are patrolling outside Hong Kong waters lying in wait for any Red-flagged ships to leave Hong Kong. He asserted that he had been informed on several occasions of the existence of prowling Nationalist warships.

The CMCN official declared that if it were not for this, the CMCN could have sent South some of the idle ships in port to resume the Straits-Indian run.

## Air danger

With the presence of hostile aircraft over the South China region, the predicament of the local Chinese Communist organisation has been aggravated to such an extent that it has even been declared dangerous to send a ship flying the Red emblem to the Pearl River.

The Communist-flagged river steamer Wen Hsing was strafed and bombed by raiding Nationalist P-51's recently.

The Wen Hsing was towed into port recently, totally gutted by fire caused by incendiaries. Another Red ship, the ss. Kwai Hai, belonging to the recently-defected Kwangsi Navigation Company, a semi-Kuomintang shipping organisation, is at present "stranded" at Cheung Sha Wan. Most of her personnel, it was learned, had left the ship when the company switched to the new regime.

A report said that attempts to recruit personnel to man the converted "United States" Navy landing craft have, hitherto, been fruitless. This, however, could not be confirmed. The Connaught Road office of the company closed down in mid-March.

The sister ship of the Kwai Hai is at present at Canton. It could not be confirmed whether she had already obtained her new registry. The Kwai Shan left the Colony early in January, according to her owners, to register for the new flag at Canton.

In the weeks following her departure, she was reported to be undergoing certain formalities before she could begin service in the Pearl River area. So far, no report has reached the Colony that she is on the run.

## Flying KMT flag

The Kwangsi Navigation Company left the Colony with only a skeleton staff. A number of the Hong Kong personnel declined to follow suit. They were paid several months' salaries and back pay on their departure.

Meanwhile, reports from the few Communist-controlled ships, all of which were in port when the Communists took over, have been changed to Panamanian registry since they are at present making the Panama Canal.

It is said that the Nationalist Government has been informed of the situation and is taking steps to deal with it.

## Counterfeiting case

CROWN COUNSEL ON  
CLEVER FORGERIES

One of the largest and most sensational seizures of counterfeit currency ever staged in the Colony—worth more than half a million American dollars on its face value—was described by Mr. A. Hooton, Crown Counsel, at the Criminal Sessions yesterday.

Mr. Hooton said expert evidence would be given to show that the money purporting to be United States Federal Reserve banknotes, mostly of \$100, were remarkably clever forgeries which could not be detected by the ordinary person.

Mr. Justice (Gould, Senior Puisne Judge, and a jury of six men and one woman trying three Chinese, were further acquainted with the ingenious "photographic" process employed in the making of the notes, the first batch of which were seized aboard a plane at Kai Tak bound for Siam.

The accused in the dock are Tam Kuen alias Tam Shueing, aged 45, of 122 Nathan Road; first floor; Tam Chai-wo, aged 25, haberdashery broker; and Tam Ching-ping, aged 33, brother of the first accused residing at 223 Jaffa Road, second floor.

They are facing three counts of possession of forged banknotes and one of possession of implements of forgery.

Assisting Crown Counsel in the prosecution is Chief Inspector Tom Caspary, Assistant Director of Criminal Investigation for Kowloon.

Defending first accused is Mr. Percy Chen and Mr. V. J. L. D'Alton, both instructed by Mr. J. C. Stewart. Mr. D'Alton himself instructed by Mr. Stewart is appearing for the second and third accused.

Dealing with each count, Mr. Hooton told the jury that the first count was against the first and second accused. This was in relation to events on November 23, and was for possession of 105 of the forged \$100 notes.

The second count was against the first accused alone, and alleged that he was in possession of 5,500 forged \$100 notes. The third count embraced the first and third accused, and was in connection with possession of 2,770 \$100 forged notes and 30 US\$50 notes.

As to the last count, Mr. Hooton said the allegations were that on November 25, first accused himself had in his custody three metal plates upon which marks had been engraved, and which were peculiar to those marks found in Bank of England banknotes.

Turning to the events concerned, Mr. Hooton said that about 8.45 a.m. on November 22, a party of police officers led by the Kowloon CID Chief, Mr. Cashman, entered the Kai Tak airfield. In the waiting-room, they found first and second accused standing with other people.

Boarding a plane  
The two men looked as if they were about to board a plane to Siam. Chief Inspector Caspary then went up and asked them if they had any luggage, to which they replied it was in the plane, which was bound for Siam.

On the facts concerned, Mr. Cashman yesterday afternoon was cross-examined by Mr. Bernacchi. He testified as to having gone on January 24 to 18, Cheungshawan Road, with a party of police officers to arrest two men in connection with a charge of unlawful winding.

Fifteen men—including the present eight applicants—were also brought to the police station for inquiries in this connection. All these men were asked to come along of their own accord and were not considered as under arrest. At no time in his presence did they admit any complicity in the charge of unlawful winding.

Defective Sub-Inspector A. Wells also cross-examined the eight men's arrival at the station, where they were put under arrest as a result of information he subsequently received connected with their activities.

He testified that on Monday morning, counsel for both sides closed their legal arguments on the procedure of putting forward an application to the Governor for a writ of habeas corpus. The substance of the proceedings was then discussed.

Mr. Bernacchi contended that no such application can properly be made until the time has elapsed for the filing of the Governor. This contention was opposed by Crown Counsel, who submitted that the application made by the eight men was not one of habeas corpus but one of mandamus.

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Dairy Farm  
workers sep  
arbitrator

Representatives of the Dairy Farm workers called on Professor R. Robertson yesterday to express their dissatisfaction over his award of only HK\$30 a month.

The men originally asked for HK\$80 a month, and when negotiations with the Dairy Farm Company reached a stalemate, the dispute was submitted to arbitration.

Professor Robertson told the representatives yesterday that having made the award, his job was finished and he could not do anything more in the matter.

The Dairy Farm workers will now meet among themselves to discuss their next course of action.

RUSSIAN  
PLANES  
BOMBED

Taipei, March 27. Press reports claim that Nationalist planes, in an attack on Lungshu Field in Shanghai on March 20, destroyed a great deal of crated plane equipment and killed 400 ground crew.

The reports said the crates came from the Soviet Union. By March 18, they declared, seven planes had been assembled, and a week later nine more.

Test flights were made, the reports said, but after the March 20 attack, the crates, which escaped destruction, were shifted to Kiangwan Field in the Northern outskirts of Shanghai.

Planes taking part in the March 20 attack, reports they killed three Communist planes which sped off before they could be engaged.

Nationalist warships today claimed that they sank more than 40 troop-laden Communist junks in an engagement yesterday at the mouth of the Yangtze near Shanghai.

Reports to Naval Headquarters said the junks belonged to a fleet of about 80 which was trying to sail southward from Shanghai through the Nationalist blockade.

All were armed with heavy machine-guns.

At the same time, other Nationalist warships claimed they sank 70 more Communist junks in Hangchow Bay south of Shanghai.

Another attempt of the Communists to send a small party to Hainan was driven off by three batteries, it was announced today.

Later the Air Force sank three junks with 200 aboard. The junks tried to sneak into Wankun 10 miles east of Hainan, but withdrew Northward after shore batteries opened fire.

Fighter planes later discovered the junks and sank two while a third was sunk by a naval gun. Many bodies were floating in the sea and a number of Communists were captured.

Nationalist aircraft were over Nanning, Zulchow and Pakhoi, destroying installations and shipping. Associated Press and United Press.

Good work  
by police

Fast work on the part of the Police of the Eastern Police Station resulted in the arrest of three men suspected of robbing two women of money and valuables at Sookunpo on Saturday.

The two women, Ng Suk-ling and Ng Kiu were robbed of \$12 in cash, one gold ring and two pairs of earrings.

The three suspects, arrested Saturday afternoon were Lok Kwok-kuen, aged 36, Ho Tse-wei, aged 29, and Chai Tse-wei, aged 31. They gave their names as being living in the area.

Detective Sub-Inspector R. G. Leung, who was in charge of the three-day manhunt, applied for three days' remand in Police custody in order to allow the Police to complete their inquiries.

Also arrested on Saturday afternoon were three men who were found in possession of six gold rings suspected of robbing a woman of \$100 and a gold watch on Saturday.

The three suspects, arrested Saturday afternoon were Lok Kwok-kuen, aged 36, Ho Tse-wei, aged 29, and Chai Tse-wei, aged 31. They gave their names as being living in the area.

Detective Sub-Inspector R. G. Leung, who was in charge of the three-day manhunt, applied for three days' remand in Police custody in order to allow the Police to complete their inquiries.

Netherlands  
recognition of  
Peking regime

The Hague, March 27.

The Netherlands Government announced today that it has decided to recognize Mao Tse-tung's Communist Government in China.

A communiqué issued here said that Dr. J. W. Vliegenhart, Dutch Embassy Secretary, today handed a note to the Chinese Government in Peking, containing the Dutch recognition of the Chinese People's Republic with effect from today.

Mr. A. J. de Vroom, temporary Dutch Consul at Peking, at Nanjing, will leave for Peking soon to take charge of the Dutch diplomatic mission there.

The communiqué said the Dutch Government had informed the Chinese Nationalist Ambassador in The Hague, Dr. Henry Wang Chai Chang, of their decision.

He has been told that this recognition of the Mao Tse-tung regime implies that Holland has withdrawn its de jure recognition of the Chinese Nationalist Government.

Holland is the 24th country to recognize the Chinese Communist regime.

Officials of the Hong Kong Electric Company will meet representatives of the company's Chinese workers this morning to discuss demands for a new contract with an increase in wages and a reduction in hours.

The company's Chinese workers are demanding a 10 per cent increase in wages and a reduction in hours from 48 to 44 hours a week.

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Sub-Inspector Walter Roach, who was in charge of the three-day manhunt, applied for three days' remand in Police custody in order to allow the Police to complete their inquiries.

Also arrested on Saturday afternoon were three men who were found in possession of six gold rings suspected of robbing a woman of \$100 and a gold watch on Saturday.

The three suspects, arrested Saturday afternoon were Lok Kwok-kuen, aged 36, Ho Tse-wei, aged 29, and Chai Tse-wei, aged 31. They gave their names as being living in the area.



# CHAMBER OF COMMERCE ANNUAL MEETING

(Continued From Page 1)

"There are two sets of tables, one for pre-war figures and the other for post-war figures and it will be seen how there has been a swing over from the North East Asia Group to the South East Asia Group. Statistics of course, can mislead as well as inform but it does not require much research to convince us that our business has expanded and is finding channels which never existed before the war. There are now present at the Chamber many traders from the North whose activities have materially increased the volume of trade between here and the ports of Tsingtao and Tientsin."

"Our trade with Japan has increased despite a setback during the last few months of the year in consequence of the devaluation of sterling. Devaluation might have involved the Colony in a serious exchange loss in connection with the SCAP, but prompt action taken in consultation with this Chamber saved the situation and, as things are working out, there may be a profit instead of a potential loss."

"There is no doubt that Hong Kong has proved a useful trading partner for Japan and with the passage of time SCAP has come more and more to rely upon Hong Kong as a source of supply for Japan's needs and as an outlet for her manufactures. In the absence of any direct means of linking the economies of China and Japan, Hong Kong has been the intermediary and many transactions not involving shipments in and out of the Colony have been financed (through the two-way account).

"When commercial relations between Japan and Hong Kong were established in the autumn of 1946 there was a lack of system which not surprisingly led in a sense of frustration for some of our members and their branches in Japan. Conditions under which this trade was conducted improved during 1949. Since the year closed Mr. K. M. A. Bunnell, as Director of Supplies and Distribution, visited Japan to negotiate with SCAP and we have every hope that a mutually satisfactory arrangement will have been arrived at."

"We should like to feel that the trade will be allowed to develop in a normal manner by merchants as entrepreneurs between Japanese manufacturers and producers and overseas markets, and vice versa aided by the support and assistance of their bankers."

## Official office necessary

"It appears as if the Hong Kong Government Office in Tokyo will be necessary. In this connection I should like to acknowledge the indebtedness of many of our members to the present Representative in charge, Mr. J. Anderson, who for the past year has used all his endeavours to pilot the merchant through the intricate channels surrounding SCAP. I hope steps will be taken to provide Mr. Anderson with fully qualified assistance and that sufficient funds will be made available to improve the existing office organization."

"It is understood that the Department of Supplies and Distribution is about to be merged in the Department of Commerce and Industry. We have full confidence in the newly appointed Director, Mr. A. G. Clarke, and we feel sure that his experience of the financial side of the administration will stand him in good stead."

"One of the relics of the old regime which will presumably come under Commerce and Industry is Price Control. Without causing any reflection upon the present Price Controller, who has never been entirely a free agent, many of us have found Price Control a thorn in the flesh and we should like to see the last of it."

"In regard to essential foodstuffs, clothing and other necessities it has served its purpose but it has wasted the time of merchants to an inordinate extent by calling for information regarding luxury and semi-luxury lines and it has made some arbitrary ruling without any consideration for the circumstance of the case."

"For example a decision was apparently made in December that canned provisions from America should be priced on the basis of HK\$5.30 to US\$1 despite the fact that the free market rate was well above that level. No prior notification was given to importers nor was this Chamber consulted. Yet we have now provided figures showing that similar commodities from Australia, owing to a rise in price probably in consequence of devaluation, are now costing more than the American article even if the latter were imported on the basis of the current free market price."

"Then again the margin of profit allowed to importers of pharmaceuticals has been arbitrarily reduced with the consequence that certain lines have been driven under the counter. We have, of course, brought these anomalies to the attention of the officials concerned but they have yet to convince them that the most effective form of price control is competition between dealers."

"Apart from expensive luxuries no line can be sold here at more than a reasonable margin of profit. Without this healthy competition we are well able to meet the

care of themselves if any attempt is made to overcharge."

## Import trade

"I should like to turn to our import trade. Textiles formed nearly 10 per cent of the total imports and as you are aware the Pao Pao market has always been of concern to many of our members. The days when White and Greys were shipped here in vast quantities by Manchester have long passed away and even our Fancy Piece Goods trade with Lancashire, which reached its zenith immediately after the First World War, is but a shadow of its former self."

"In the case of Woolleins at Worsteds, Bradford goods still lead the way but unfortunately over-buying during 1949 has resulted in heavy stocks, being carried over to the season which is just passing and owing to the virtual cessation of shipments to Canton there is still a substantial carry over, particularly in worsted suitings, to next autumn. The



Mr. C. G. Roberts, the new Chairman of the General Chamber of Commerce. ("China Mail" photo).

"one consolation is that with the phenomenal rise in the price of raw wool replacing cost is now far above the landed cost of stocks held here and on paper there is a potential profit in view if demand revives."

"In this connection there has been an enormous expansion of the retail trade which plays a far more important part in the overall trade of the Colony than ever before. Many of the bigger stores are in a position to finance their own purchases but there are many smaller retailers who are good customers of several of our member firms."

"The influx of wealthy Chinese from the North has greatly expanded purchasing power in the shops and a retail along Queen's Road Central will convince one that there is an air of prosperity which has enabled many retailers to modernize their premises and thus to display their wares to greater advantage. It must, however, be borne in mind that much of the increased purchasing power comes from capital and it is doubtful whether this can be replenished. Retailers, therefore, should take care that they are not carried away by the increased turnover of the past year otherwise they may find themselves in a false position."

"There are other categories of the Import Trade where caution is called for. One of the drawbacks to the Import Trade is the temptation to which many small importers succumb when there happens to be a shortage of a particular commodity. Enhanced profits made by those who have stocks leads to speculative purchases by all and sundry so that when cargoes arrive supply often falls short and the retailers then find themselves weak holders feverishly striving to cut their losses."

"Chemicals and Paper are two lines which have suffered in this way and it is particularly galling to merchants who have regularly handled such lines to find their business affected by competitors who have no technical knowledge of the commodities which they are handling."

"As the Report points out, the Export Trade in China Products has been extremely active. This was due, of course, to the virtual closure of Shanghai and the Northern Ports to ocean shipping but later in the year the reception of produce in Hong Kong was reduced to small proportions. Nevertheless overseas demand for China Products, particularly in the case of Wool Oil, stimulated prices and on the whole exporters did well in 1949. Since the close of the year it is reported that the People's Government are reorganizing the trade of North China no doubt with the object of arranging direct shipments to overseas markets."

"It is hoped that this will not involve an attempt to bypass the experienced local importer and exporter, the value of whose services in the checking of quality and specifications and in ensuring adherence to established standards are not always fully appreciated."

"Local industry has been greatly encouraged by the removal of import restrictions into the United Kingdom. This has enabled many exporters to re-establish relations with their buyers in Britain and Hong Kong manufactured goods are again meeting the demand for the lower income group whose needs are for something cheaper than British manufactures can produce. It is, however, of the utmost importance that local manufacturers in their endeavour to market their goods at an attractive price should plan any

temptation to lower their quality."

"In this connection Mr. E. G. A. Grimwood, the Hong Kong Government representative in London, visited Hong Kong with a view to instituting a set of standards for the guidance of manufacturers. The Chamber is now working in conjunction with the Chinese Manufacturers' Union to establish minimum requirements and there is every reason to hope that exporters will be able to despatch their orders without any fear of claims arising on the grounds of inferiority."

## Industrial plants

"There has during the year been a continued increase in the growth and establishment of industrial plants in the Colony which has been particularly marked on the textile side. Local industry is making an important contribution to the commercial life of the Colony and besides providing an additional source of import and export trade, is thereby reducing to a valuable extent our dependence on pure entrepot business."

"It is perhaps not generally appreciated to what an extent the efficient operation of existing plants and the establishment of new ones is governed by the question of water supply. In view of the great and growing importance of our industries to the economy of the Colony, it is hoped that Government plans for the establishment of new reservoirs will be pushed ahead with all speed."

"The British Industries Fair has undoubtedly been of great assistance in bringing to the attention of home buyers and consumers the many useful articles which are manufactured here. We are by no means satisfied that the Hong Kong stall is as effective a medium as it might be but we are gaining experience and we have every reason to hope that this year's stall will show a marked improvement over those of 1948 and 1949."

"Fortunately the Chamber will be represented at the Fair by our Secretary who is making a business holiday of the first two weeks of his home leave and as he attended last year's Fair he will be able to turn his experience to advantage. The Committee which, under the Chairmanship of the Director of Commerce and Industry, has been working hard on preparations for the despatch of Hong Kong's display has had the assistance of Mr. Harry Owen Hughes who like our Secretary was present at the BIF last year."

"We hope that there will be a strong delegation from Hong Kong, including both manufacturers and merchants, and our Vice-Chairman, Mr. C. Blaken, has kindly consented to act as leader of Hong Kong's party. One of the matters which the Chamber's representatives will have in mind is the desirability of putting home buyers in touch with exporting merchant houses in Hong Kong. Buyers who endeavour to establish direct relations with manufacturers are often disappointed in cases where the organization is not adapted to export business and it is there that the merchant can offer services which are outside the capacity of the manufacturer."

"We recently had a case where a buyer in Britain, having placed a large order with a local manufacturer, wrote to the Chamber requesting us to provide a surveyor who would, for what the buyer believed would be a nominal fee, ensure that the goods shipped were in accordance with the sale note. We felt it necessary to advise our applicant that what he was asking us to do was to provide the normal services of the merchant house at a nominal charge. The merchant would not, of course, be able to provide the essential service in marketing the products of a factory and that the extra cost is more than compensated for by the services rendered."

"As you probably know I spent several months in Britain last year, during which time I came in contact with many businessmen. There was an interest in the Far East, there was an interest in the situation in Hong Kong, particularly as so many of the newspapers carried reports which painted a very black picture. It was by no means to produce a contrasting picture of Hong Kong standing as a sure rock in the midst of troubled waters. The line I took was that there was reason for confidence in the future of Hong Kong because of the prompt action of the Home Government."

"For more than 100 years the merchants of Hong Kong have been inclined to think that whatever Government was in power at Westminster they never received the support that was due to them. I don't think that view can be held now. The visit of the Minister of Defence, the appointment of General Feilding (whose sudden departure was deplored by us all), and the rapid reinforcement not only of the garrison but of the Naval and Air Forces showed that the Imperial Government was determined that this small portion of the Empire was to be safeguarded against any threat to its security. It might be said that whatever quarrels it might have with the merchants of today, I am sure, only thanks to the fact that business houses at home look a lot of everything and some of them were reluctant to let shipments be forwarded to Hong Kong even in cases where contracted goods were provided."

hope that they now realize that there was every justification for overcoming their reluctance."

"I should like to add a word of appreciation for the service which this Chamber receives from the China Association in London. The Association is ever ready to act on our behalf whenever we call upon it and by keeping close contact with Government departments as well as with all organizations, commercial or otherwise, who have relations with the East, it performs a most useful function for which we are grateful."

"I cannot conclude without an expression of sympathy for the business community in Shanghai who for months past have suffered an ordeal which must haunt the most valiant heart. We greatly deplore the loss of life occasioned to those who through no fault of their own have been victims of a senseless warfare and we fervently hope that the great city of Shanghai will before long emerge

## Chamber of Commerce officials

Mr. C. C. Roberts, Manager of Butterfield and Swire, was elected Chairman of the Hong Kong General Chamber of Commerce for the current year at the annual general meeting of the Chamber yesterday."

Mr. P. S. Cassidy, outgoing Chairman, was elected Vice-Chairman.

from its hour of trial and once again play its part as a great commercial metropolis."

## Undaunted spirit

The Report and Accounts were seconded by Mr. S. Storm-Jorgensen. He said:

"After due credit has been given to the Government and allowance made for the unusual opportunities which the abnormal circumstances have offered, I am inclined to believe that a good share of the Colony's success in 1949 is due to the undaunted spirit which has prevailed in general, a spirit kept alive by the Colony's leading citizens in all walks of life, by various bodies of commerce and industry, not least by the General Chamber of Commerce, headed by its Chairman, Committees and Staff, and supported by all its members."

"I shall abstain from comment on the much discussed new taxation proposal and restrict myself to express hopes that, whatever may be the outcome of the tax question, the various tasks before the Government, such as improved ferry service across the harbour and the long overdue airport, will be proceeded with as quickly and efficiently as possible. We all hope that the present lull in the air-traffic will be of a temporary nature only, and wish to see Hong Kong equipped with an airport which may rival its splendid harbour."

"In spite of the increased volume of shipping, which passed through Hong Kong last year, the port has again proven itself worthy of its fame and high standard of previous years with quick turn rounds, no labour trouble, etc., and as regards the Godown Companies, I think they are again to be congratulated on the good service rendered during difficult conditions."

"In this connection I feel that mention should also be made of the generally satisfactory co-operation, which has existed between the consignees of paper, fertilizer, and so on, and the shipping companies. As you know, Hong Kong consignees are used to the facility of direct discharge of their goods into the public godowns, and it has been an unpleasant necessity for the shipping agents to have to insist on delivery direct ex ships' tackles to consignees' lighters, but I am glad to say that, as far as I know, in the majority of cases the consignees have proceeded fairly satisfactorily. I hope this co-operation will continue to the benefit of all concerned."

"With reference to our Chairman's interesting remarks on the Japan trade, I believe that this sphere of business has been the cause of some disappointment to a number of merchants. The present way of doing business may be highly necessary and desirable from certain points of view, but viewed from a purely commercial angle it carries with it besides an expensive administration, paid for by the merchants, a measure of control alien to free trade, and also such undesirable features—in spite of the rules and regulations of the trade—as a black market in so-called 'Japan dollars' plus subsidizing of export goods at the expense of import commodities."

"I heartily endorse the Chairman's remarks regarding price control, in as much as I believe that control of most commodities including rice could now be safely discarded, and that such a step would be to the general benefit of the community. I am sure that the merchants of today are not in any case, I think, no time should be lost in allowing rice to enter the Colony, to be used in the same way as sugar and flour, as such steps would offer new possibilities for Hong Kong's entrepot business."

## Taxation

"At the end of the meeting the Chairman made the following statement on the question of Taxation:

"In my address on the Report I purposely omitted any reference to the Budget recently presented by Government. My reason for so doing was that the address was confined to a review of the year which has passed, and therefore does not deal with events in 1950, and in any case I was acting as the mouth-piece of the General Committee. I now address you as your representative on the Legislative Council and I alone am responsible for any of the opinions expressed."

"There is no doubt that there is considerable opposition to Government's proposals. This is by no means confined to the foreign section of the community who feel that an increase in direct taxation would effect them considerably more than it would the other sections of the community. Chinese opinion as expressed by the Chinese Chamber of Commerce, the Chinese Manufacturers' Union and the Kowloon Chamber of Commerce is also opposed to the Government's proposals and prefers that indirect taxation should be resorted to if additional revenue is required."

"In the course of last Wednesday's debate the weight of Unofficial opinion was against the Financial Secretary's recommendation that the standard rate of Business Profit tax should be raised from 10 to 15 per cent and that Salaries tax should be adjusted to a higher level than that at present in force. Various alternative methods of raising revenue were suggested the most interesting one being the proposal to levy a flat charge of \$300 or every business firm and company. I think it is generally agreed that the Business and Earnings taxes fall on the shoulders of a comparatively few and that an increase in the standard rate would not only add to the present unfairness but that it would lead to still further evasion. Criticism of the Inland Revenue Department shows that there is a lack of confidence in its capacity to ensure equitable treatment of all parties who are liable under the Ordinance."

"In my opinion the Department has to work under considerable strain partly due to it being deficient in staff, at any rate as regards senior officers with the requisite qualifications. It is to be mind highly desirable that until the time comes when it is possible to adopt income tax regulations which can be equitably applied, any further revenue re-quired should be raised by indirect means."

## General committee

The following members of the General Committee were re-elected: Mr. Arthur Morse and Messrs. D. F. Landale, P. S. Cassidy, J. D. Alexander, C. Baker, H. J. Collar, E. R. Hill, A. Bichie, C. C. Roberts and John Robinson."

Mr. I. W. Shewan did not offer himself for re-election.

On the recommendation of the Committee, Mr. H. Owen Hughes and Mr. J. W. Johnston were also elected."

The meeting also confirmed the election of 80 new members to the Chamber since the last annual meeting.

Percy Smith and Company were re-elected auditors of the Chamber."

## REME MAN ON GRAVE CHARGE

Craftsman Leslie James Burch, REME, faced criminal proceedings before Mr. James Wickes at Kowloon yesterday on three charges of rape, robbery with violence and rendering a person insensible with intent to commit an indictable offence."

In a brief opening outline, Detective Sub-Inspector P. Lowe alleged that, shortly after midnight on February 15, complainant Mrs. Hyginia Rozario Maling, of 8, Housing Estate, Ma Tei Chung, Argyle Street, boarded bus to go home at the Star Ferry wharf. Defendant, beside her, and began to make friendly gestures toward her but was rebuffed."

Inspector Lowe said that when complainant got off at the corner of Prince Edward Road and Gilling Road, defendant also got off and followed her. His advances were again resisted and at the entrance of 103 Argyle Street defendant was alleged to have choked and knocked complainant unconscious. When complainant came to she found that she was about 200 yards from the original place of attack. She managed to find her way home, but again, relapsed into unconsciousness."

After evidence was taken from several witnesses including Inspector Lowe, Dr. Young Kwantun, and Dr. G. E. Moore, both of the Kowloon Hospital, and Dr. Pang Tin-cheung, Police Surgeon, hearing was adjourned until April 5."

## LAND AUCTION

There was brisk bidding at yesterday's Crown Land Auction Sale at the Public Works Department. Two 1,400-square-foot residential lots were sold for HK\$25,000. Total gross price for the two lots was HK\$50,000.

## Reminders

### Today

HK Rotary Club, Closed Meeting, Roof Garden, HK Hotel, 12.30 p.m.  
Urban Council meeting GPO Bldg., 4.15 p.m.  
European YMCA, Bridge Drive, 8 p.m.  
HK 8 Light Orchestra rehearsal, St. John's Cathedral hall, 6.45 p.m.  
HK Rotary, Free Anti-Trachoma Clinic, 217 King's Road, official opening by Dr. T. J. Hui, 2.30 p.m.  
Cheero Service Club, Whist Drive, 8 p.m.  
Nine Dragons Services Club, Billy Tingles's P. T. and Boxing, 8 p.m.; Whist Drive, 8 p.m.  
Kowloon Union Church, Women's Guild meeting, 10 a.m.  
HK Rope Manufacturing Co., Ltd., annual general meeting, Chung Tin Bldg., 12 noon.  
Little Flower Club, annual meeting, King's Park, 6 p.m.  
HK Football Referees Association monthly meeting, Prince's Bldg., 8.30 p.m.

### Coming Events

**TOMORROW**  
Toc H meeting, 50, Macdonnell Road, 8.30 p.m.  
Nine Dragons Services Club, Film Show, 8 p.m.  
HK Art Club, Monthly Exhibition, St. John's Cathedral hall, 10 a.m. to 6 p.m. (admission free).  
European YMCA Debating Society Annual Dinner, 8 p.m.  
Women's Section, European YMCA, Whist Drive, 10 a.m.

### THURSDAY

HK Art Club, Monthly Exhibition, St. John's Cathedral hall, 10 a.m. to 6 p.m. (admission free).  
Nine Dragons Services Club, Hong Kong Band Club, 8 p.m.  
Kowloon Rotary Club, luncheon, Peninsula Hotel, 12.30 p.m.  
Y's Men Club, luncheon-meeting, Roof Garden, HK Hotel, 12.45 p.m.

## Actor summoned by wife

The Chinese actor, Yiu Ping, was summoned before Mr. Thomas at Central yesterday by his wife, Ng King-kong.

He was summoned for assaulting her on January 1, for perjury, and also for neglecting to provide reasonable maintenance for her, who was his "X" wife and therefore legally liable to be maintained."

The complainant also asked for the custody of her 14-year-old son, and \$300 monthly as maintenance."

The defendant was represented by Mr. Y. H. Chan.

The complainant said that they had been married for more than 15 years. About two years ago quarrels arose, because of the wife wanting to change the name of the son (Ching-ling) to the 12th month (Lunar calendar) the defendant returned to 182 Wo Surig Street, first floor and assaulted her. She continued that he had ordered her from the premises two days earlier but she had replied that she had nowhere to go.

About 6.30 p.m. on that day he hid come home and attacked her but missed. She suffered injuries to various parts of the body.

She told the Court that she had heard friends say that the defendant earned about HK\$1,000 each month and asked for \$300 each month for maintenance. Cross-examined by Mr. Chan, she denied having fought with the defendant, saying that the defendant always attacked her without provocation as she had refused to leave the house. She also denied that she used to stay out until the early hours of the morning, adding that she never left the house unless he gave her permission."

At the conclusion of the cross-examination the case was adjourned to April 5.

## MERCHANT NAVY MEN FINED

Thomas Frank, aged 32, tiller of an Empire, Orwell, Douglas Lower, aged 24, tiller, and Roy Ansell, Fourth Engineer of the same ship, were each fined \$100 by Mr. J. W. Johnston at Central yesterday when they were found guilty on a charge of committing a public mischief.

The prosecution story was that the three defendants boarded the motor boat King's on March 12 and tried to start the engine. They were told not to do so by the ticket collector at Blake Pier.

The police were sent for and the defendants were taken to the Central Police Station.

## KCR DENIAL

Reports that a second Shanghai goods train arrived in Kowloon on Sunday afternoon were denied yesterday by an official of the Kowloon-Canton Railway.

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## WINSTON CHURCHILL'S WAR MEMOIRS: THE THIRD BOOK

# THE GRAND ALLIANCE

## Clamour for a second front

By Winston Churchill



From gravity of the crisis on the Russian front to poignant terms which commended my sympathy. But when presently I sensed an underlying air of menace in his appeal I was angered.

I said to the Ambassador, whom I had known for many years, "Remember that only four months ago we in this island did not know whether you were not coming in against us on the German side. Indeed, we thought it quite likely that you would. Even then we felt sure we should win in the end. We never thought our survival was dependent on your action either way. Whatever happens, and whatever you do, you of all people have no right to make reproaches to us." As I wanted to the topic the Ambassador exclaimed, "More calm, please, my dear Mr. Churchill," but thereafter his tone perceptibly changed. The dis-

cession and the turning-point character which would attach to our reply. Although nothing in his language warranted the assumption, we could not exclude the impression that they might be thinking of separate terms.

The Cabinet have thought it right to send the attached reply. Hope you will not object to our references to possible American aid. I feel that the moment may be decisive. We can but do our best.

### Cable from Stalin

On Sept. 15, 1941, I received another telegram from Stalin. In my last message (he said) I stated the viewpoint of the Soviet Government that the establishment of a second front is the most fundamental remedy for improvement of the situation with regard to our common cause. In reply to your message, in which you stress once more the impossibility of a second front at the present moment, I can only reiterate that the absence of a second front simply favours the designs of our common enemy.

I have no doubt that the British Government desires to see the Soviet Union victorious and is looking for ways and means to attain this end. If, as they think, the establishment of a second front in the West is at present impossible, perhaps another method could be found to render to the Soviet Union an active military help.

It seems to me that Great Britain could without risk land in Archangel 25 to 30 divisions, or transport them across Iran to the Southern regions of the USSR. In this way there could be established military collaboration between the Soviet and British troops on the territory of the USSR. A similar situation existed during the last war—in France. The arrangement mentioned would constitute a great help. It would be a serious blow against the Hitler aggression.

It is almost incredible that the head of the Russian Government with all the advice of their military experts could have committed himself to such absurdities. It seemed hopeless to argue with a man thinking in terms of utter unreality. He continued:

I thank you very much for your promise to render us assistance by the monthly deliveries of aluminium, tanks and aircraft.

I can only welcome the intention of the British Government to render this assistance. In aluminium, tanks and aircraft not on the usual commercial basis (but) of comradeship and collaboration. I hope the British Government will have ample opportunity of being convinced that the Soviet Government understands how to appreciate the help received from its ally....

I sent the best answer I could to this message. M. Stalin, Prime Minister to M. Stalin, 17 September 41.

1. Many thanks for your message. The Harriman Mission has all arrived, and is working all day long with Beaverbrook and his colleagues. The object is to survey the whole field of resources so as to be able to work out with you a definite programme of monthly delivery by every possible route, and thus help repair as far as possible losses of your munition industries. President Roosevelt's idea



"Follicles shot by armed robbers." It would have been a distinctly better story if they'd been shot by unarmed robbers.

So Joe is not going to have a try at regaining the heavyweight championship after all. There was the disturbing possibility that he might Louie.

Flying saucers are now reported over Morocco. That's going to shake them.

"Shook to Parisians." No, Myrtle, it wasn't a chorus girl with all her clothes on.

On his arrival in Slam, the young king's limousine was sprayed with perfume. Quite understandably, as the car was sent out to adulterate Adulter.

This closing of factories brings balm to nobody, except those who have Red spots.

Philadelphia surgeons have successfully operated on a man's heart through the neck. When the patient arrived in hospital, his heart was in his mouth. How very convenient, said the medics.

"Whittle down what extra bulge with tested seven-day diet." I give up. Tell me.

Then we had: "If your hips are prominent, tuck them under a couple of inches." Of what?

"Most adults are children at heart, and they love ice cream and trifles, no matter how old they are." Sorry, but when they're more than a week old, this adult just loses interest.

Forward Dracula. "Next change: Kiss the blood off my hands." It would be quite a change, but at the moment I'm otherwise engaged.

Local trade unionists have offered two motor vehicles to Peking, and are due to drive them to the mainland today. They will at least have a run for their money.

A company has been formed in England to offer holidays to be paid for on the instalment system. So it will be a case of saving up for one's last holiday.

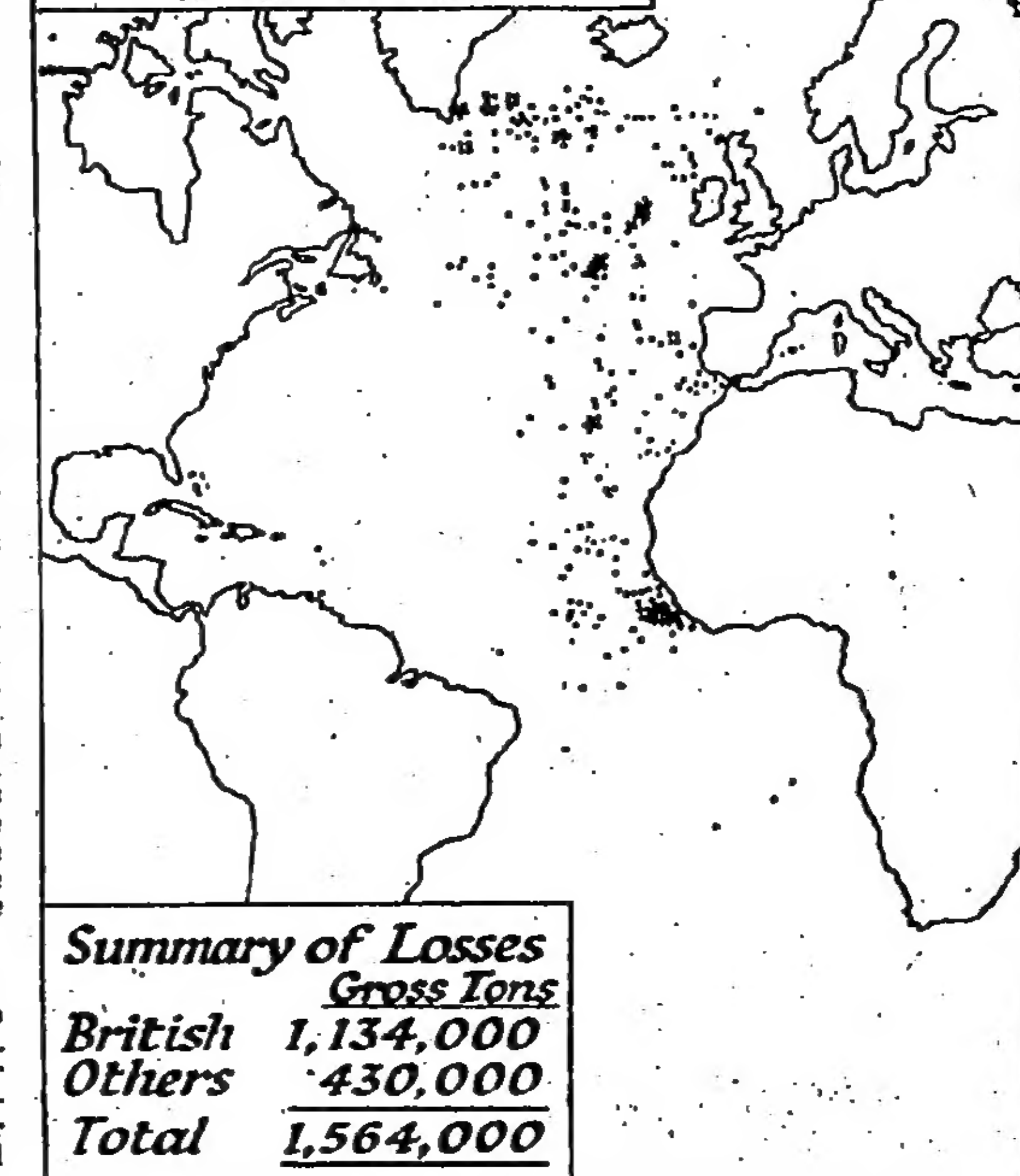
Is that this plan should cover up till the end of June, but naturally we shall go on with you till victory. I hope the conference may open in Moscow on the 28th of this month, but no publicity should be given till all are safely gathered. The routes and method of travel will be signalled later.

(To be continued)

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### PHASE III THE OCEAN

#### Up to the Entry of the United States into the War March 18th, 1941 to Dec. 6th, 1941



cession went over the ground already covered in the interchange of telegrams. The Ambassador pleaded for an immediate landing on the coast of France or the Low Countries. I explained the military reasons which rendered this impossible, and that it could be no relief to Russia.

I said that I had spent five hours that day examining with our experts the means for greatly increasing the capacity of the Trans-Persian railway. I spoke of the Beaverbrook-Harriman Mission [shortly to go to Moscow] and of our resolve to give all the supplies we could spare or carry. Finally Mr. Eden and I told him that we should be ready for our part to make it plain to the Finns that we would declare war upon them if they advanced into Russia beyond their 1918 frontiers. M. Molotov could not of course abandon his appeal for an immediate second front—and it was useless to argue further.

### Cabinet consulted

I at once consulted the Cabinet upon the issues raised in this conversation and in Stalin's message, and that evening sent a reply. Prime Minister to M. Stalin, September 4, '41.

1. I reply at once in the spirit of your message. Although we should shrink from no exertion, there is in fact no possibility of any British action in the West, except air action, which would draw the German forces from the East before the winter sets in. There is no chance whatever of a second front being formed in the Balkans without the help of Turkey. I will, if your Excellency desires, give all the reasons which have led our Chiefs of Staff to these conclusions. They have already been discussed with your Ambassador, Foreign Secretary, and the Chiefs of Staff Action, however well-meant, leading only to costly losses would be no help to anyone but Hitler.

2. The information at my disposal gives me the impression that the culminating violence of the German invasion is already over, and that winter will give your heroic armies a breathing-space. This however is a personal opinion.

3. About supplies. We are well aware of the previous losses which Russian industry has sustained, and every effort has been and will be made by us to help you. I am sending President Roosevelt to expedite the arrival here in London of Mr. Harriman's Mission, and

the orders for supplying the Persian railway with rolling-stock to raise it from its present capacity of two trains a day each way up to its full capacity, namely, 12 trains a day each way. This should be reached by the spring of 1942, and meanwhile will be steadily improving. Locomotives and rolling-stock have to be sent round the Cape from this country after being converted to oil-burners, and the water supply along the railway has to be developed. The first 48 locomotives and 400 steel trucks are about to start.

### Joint plans

5. We are ready to make joint plans with you now. Whether British armies will be strong enough to invade the mainland of Europe during 1942 must depend on unforeseeable events. It may be possible however to assist you in the extreme North when there is more darkness. We are hoping to raise our armies in the Middle East to a strength of three-quarters of a million before the end of the present year, and thereafter to a million by the summer of 1942.

Once the German-Italian forces in Libya have been destroyed all these forces will be available to come into line on your Southern flank, and it is hoped to encourage Turkey to maintain at the least a faithful neutrality. Meanwhile we shall continue to batter Germany from the air with increasing severity and to keep the seas open and ourselves alive.

6. In your first paragraph you used the word "sell." We had not viewed the matter in such terms and have never thought of payment. Any assistance we can give you would be better by upon the same basis of comradeship as the American Lend-Lease Bill, of which no formal account is kept in money.

7. We are willing to put any pressure upon Finland in our notification that we will declare war upon her should she continue beyond the old frontiers. We are asking the United States to take all possible steps to influence Finland.

I thought the whole matter so important that I sent simultaneously the following telegram to the President with the impression was fresh in my mind: "Former Naval Person to President Roosevelt, Sept. 5, '41. The Soviet Ambassador brought the subjoined message to the aid of Eden last night, and used language of grave import about the gravity of the co-

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### MEMORIAL SERVICE

FITZROY-WILLIAMS—A Memorial Service for David Fitzroy-Williams, DSC and Bar, Lieut. R.N. (ret'd), will be held at St. John's Cathedral at 4.30 p.m. Thursday, March 30th.

### THE SIMPLE PLAN

As usual, the tax-collector is running away with policy and doctrine in the People's China. In the era of the Tachuns, Cabinets came and went like shadows. Power rested with the Military, and the sole policy of their wars and their peace was to grab more and more of both public and private revenues. The Nationalists also had idealists and doctrinaires. Hu Han-min tried to impose revolutionary changes by legislation. The Hundred Days of reform by Edict of Kwang Hsu was mere byplay compared with the spate of words and laws, including the Civil Code, which poured from the Legislative Yuan in its palmiest days. It was all in vain. The long gowns and short jackets were soon involved in those bitter controversies which culminated in the 1930 civil war. All through events have conformed with the good old rule, the simple plan, that they should take who have the power, and they should keep who can. The only difference nowadays is that more is taken and less is kept!

Judgment of the Communists will be based on what they do for the people, not by speeches or doctrines. The People's Government must be expected to be a government for the people, if not by or of the people. The higher the claims, the higher the expectations, the steeper the drop in popular esteem if they fail in this. Certainly, in many things they are doing better than any previous government in China's modern history, in the teeth of difficulties and economic deterioration that have become progressively worse. But the tax-collector is more rapacious than ever. The Victory Bond racket has attacked high and low alike—except the officials themselves, of course. Ideology has come down from the stars and people are being compelled to turn their pockets out. Desperate needs have produced desperate methods, and desperate methods in their turn require desperate measures.

Even the Communist hierarchy are alarmed about it all, and the Central Committee on Saturday issued an appeal—pardon, an instruction—to all Party members to "extend and strengthen their links with the masses and non-party democrats." The Committee pointed out that the Party was working for the interests of the people and the nation, and sought absolutely no self-interest. The Party should not run counter to the people's will, and should stand with them and not above them.

Some of the "errors" that have accompanied the famine crisis were exposed recently by Tung Pi-wu, but this is merely one phase of current complaints, which have caused a great slump in the popularity of the regime. Heavy taxes and grain levies, conscription of labour, economic disorders of unprecedented variety, and "range-aggravated" by the blockade and bombings—maldistribution of food, harsh and petty tyranny: these are among

the things that prompted the lament from Peking. What is more, Socialist ideology about State controls, State monopolies, and State trading, will infallibly be regarded by the rank and file of the tax collectors not as a gift from the gods of political and economic philosophy, but merely as a means of bringing more grist to the mill.

The technicians have done a great, if temporary, job on the railways. The gospel of work is being preached with zeal but not without casuistry—"the people cannot strike against themselves, the owners"—and there is a great body of fervent faith seeking the stars. Any faith, after all, is better than none in the pass to which a great and historic people have come. But faith alone is never enough. Failure can obliterate it. And the new regime stands or falls not by the sincere faith and ideology of a handful of idealistic pedants but by what it does in coping with the economic crisis. It was a major factor in the downfall of the Nationalists—it will remain a major factor in the survival value of the new regime.

The Canton Tax Bureau Commissioner is quoted as having publicly complained that "tax assessments were 'not sufficiently democratic' and that the formula and procedure were 'inefficient.' Neither in Peking nor in Canton will euphemisms and gentle rebukes intimidate those who have outstepped all the squeezers of the past generation. In a few months heads that nodded with approval and acclaim were being shaken in dismay. In Dynastic days miscreant heads used to fall.

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# A SNAP ELECTION POSSIBLE

## Protest against Seretse case

Johannesburg, March 26. Delegates claiming to represent more than 1,000,000 Transvaal Africans and Indians today protested against the British Government's action concerning Seretse Khama, the Bamangwato chief-designate who has been exiled from his tribe for five years.

The resolution said that the British action was pandering to the racial policies of South Africa and Rhodesia.

The meeting, attended by 528 delegates, was called by the Transvaal branches of the African National Congress (ANC), African Peoples Organisation, Transvaal Indian Congress and the Johannesburg Communist Party, as a "Defend Free Speech" convention.

It called for the observance of May 1 as "Freedom Day." Demonstrations will be started to protest against discriminatory legislation.—Reuter.

## Forecast of polling within six months LABOUR'S TRUMP CARDS

London, March 26. The Prime Minister, Mr. Clement Attlee, and his Labour lieutenants may decide on a snap General Election any time in the next six months, political sources predict.

Some observers believe that a new contest might come as early as June—six weeks after the annual budget on April 18.

In the present House of Commons, Labour has an overall majority of only five votes.

The Conservative Opposition, led by Mr. Winston Churchill, would like to see the Government remain in office long enough to take the blame for what they call Socialist economic mismanagement in the past five years.

They would use their strength in Parliament to see that the Government is continuously

harassed to the brink of the precipice though not pushed over the edge.

This prospect does not attract Labour, which has the advantage of being able to dictate the timing of the next Election.

Some Government supporters believe that Labour has the trump cards in the present Parliament and can secure decisively if it plays them properly.

They predict that the weeks immediately ahead will show an improvement in Britain's overall economic position, falsifying suggestions that there would be a crisis this year.

### Unions' attitude

Figures for Britain's gold and dollar reserves for the first quarter of 1950—showing progress in closing the dollar gap—will be published within a fortnight. They are expected to reflect an encouraging position.

On the other hand, if the trade unions generally stage a revolt against the wage stabilization policy the whole Government recovery plan would be wrecked.

Engineering and shipbuilding unions, who are leading the fight against the wage freeze, will soon hold a ballot on whether to strike for £1 a week increase or take their claims to arbitration.

Sir Stafford Cripps, Chancellor of the Exchequer, will discuss the wage freeze tomorrow with a delegation from the Trades Union Congress. The TUC itself is expected to continue to back Sir Stafford—but it can apply no sanctions to its 8,000,000 membership.

**Pollitt attacks Morrison**

The Secretary of the Communist Party, Mr. Harry Pollitt, today described as a "farago of lies and nonsense" the declaration last Friday of the Deputy Prime Minister, Mr. Herbert Morrison, who in his statement appealed to British trade unions to get rid of Communists as soon as possible.

Mr. Pollitt declared that Mr. Morrison was the architect of the Labour Party's defeat at the General Election.

"Purging the unions of Communists does not harm the trade unions as many sections of the Transport and General Workers Union are beginning to find out," Mr. Pollitt added.

This was at a time when the Labour Government had betrayed the principle of internationalism over the Seretse Khama case, when American bombers and air forces "are already occupying our best aerodromes" and when America, "through its demand (in Paris) on Britain fully to accept its dictate in regard to the European payments union, is trying to wreck Britain's economy."—Reuter.

## WAR WOUNDED DEMONSTRATE

Munich, March 26. Several thousand angry war injured whistled and brandished crutches to howl down an official to answer their grievances at a protest meeting of their organisation here today.

Also prevented from speaking was Herr Alfred Lortz, head of West Germany's Economic Reconstruction Party.

The injured had addressed a protest to the city authorities demanding enough money to exist on jobs and the dismissal in their favour of married couples who were both employed.—Reuter.

### Justice needed

The Pope asked whether divine justice would longer tolerate such a "distortion of the true image of man, such an abuse of his worth, such disregard of God's will."

On this Sunday of penitence, he urged Christians everywhere to practise this Christian virtue and, realising their sins, to resolve to do better. The Holy Year would give them ample opportunity.

The Pope appealed for practical justice for those who, borne down by economic conditions, sometimes lack even the fundamental necessities.

All Christians should aid the poor and underprivileged. He prayed that from the contemplation of the Easter drama of divine expiation of human guilt there might arise concord among the nations, peace on earth and eternal blessing.

The Pope was carried in a procession into the Basilica, preceded by the Crucifix of St. Marcellus. After the ceremony the vast congregation knelt to receive a blessing given with the Lance with which, according to tradition, Christ, was pierced upon the Cross.—Reuter.

## FILM ACTRESS IN TROUBLE

Los Angeles, March 26. Lynn Merrick, 25-year-old American film actress who five months ago eloped with the heir to an American fortune, is today recovering from an overdose of sleeping pills, the police stated here.

The police said she told them she had family troubles.

Robert Goddard, film producer and son of a wealthy Rhode Island banker and insurance man, eloped with Lynn from Rome last October and married her in Paris.

Reports that his mother, the Duchess of Villars, had disapproved of the marriage, had been denied.—Reuter.

# MASTER PLAN FOR DEFENCE OF W. EUROPE

The Hague, March 26. The Atlantic Pact master defence plan will call for last-ditch defences of every member nation and no immediate strategic withdrawal to a Western defence line in the event of a Russian attack.

Informed quarters, here for the Chiefs of Staff conference, said this today.

On the eve of crucial meetings of top-level Atlantic Pact military and political officials, these sources denied the popular concept that defence plans might call for falling back on a line somewhere West of the Low Countries and for sacrificing several countries to the enemy in the initial stages of any possible invasion.

"There is absolutely no Maginot line psychology involved in our plans," declared one high-ranking Western military official in an interview.

"We are not going to 'write off' any member nations and we are not going to retreat if attacked. We will defend every inch of soil of member nations."

The Chiefs of Staff, headed by the United States Chief of Staff, General Omar Bradley, will meet on Tuesday to stamp the defence plan "approved" and "top secret."

### No bickering

The Atlantic Pact Standing Committee, permanent body with headquarters in Washington, has already drawn up for the chiefs an agenda which is expected to deal principally with these problems:

1. Maximum in money, arms and men which each member nation can contribute to the defence pool.

2. Unification of arms and standardising military operation procedures such as communications and battle orders.

General Bradley is tremendously pleased at the progress already made at the conference. One senior officer said: "There has been no bickering and we all see eye to eye on the principal problems—how to stop the Russians if they ever make a grab at Europe."—United Press.

## PEKING SENDING OUT NEWSMEN

Seoul, March 26. The Chinese Communist People's Republic is beginning to send out foreign correspondents.

A broadcast from Radio Pyongyang, North Korean official propaganda medium, said "Following establishment of diplomatic relations between China (the Peking Government) and North Korea, the New China News Agency has established a branch in Pyongyang."

No mention was made of North Korean correspondents in China.—United Press.

## MOSCOW VIEW OF KMT BOMBINGS

Moscow, March 26. A "Red Fleet" article charged today that the Shanghai bombings by the Kuomintang air force are being personally led by highly placed American officers.

The paper quoted the Chinese Agency Sin Hua as its authority and referred to the presence in Taiwan of Charles Cook and Major-General Dennis of the U.S. Air Force.—Associated Press.

### AIRPORT STRIKE

Paris, March 26. One hundred and fifty Air Force security workers at Orly, the largest Paris airport, today staged a sit-down strike.

They claimed that about half the total number of security workers were paid a security bonus while they were not.

Most of them belong to the Communist General Confederation of Labour.—Reuter.

## ADMIRAL'S WARNING

Washington, March 26. Vice-Admiral Gerald Bogan warned today that Western Europe might quit if war started and the United States Navy's first big job would be to carry out a Dunkirk-type evacuation.

Admiral Bogan contended that failure to build a super aircraft-carrier able to launch atomic bombers may cost the U.S. dearly. The Navy was not ready for war, he said.

Admiral Bogan attacked the Air Force's strategic bombing plans and said the Navy should discount entirely the theory of an atomic blitz conducted from safe, secure bases in our own country.

The next war, if it came, would be long and hard. Speaking of European members of the Atlantic Pact, he said: "We cannot lean or count on their continued determination to resist aggression as our allies. The cankers and ulcers in their bodies are politically moribund now, but essentially volatile."

"It may well be that the first major task of our Navy in a future conflict will consist of recreating the role first performed by an impromptu armada of heterogeneous British craft at Dunkirk."

Admiral Bogan said today's United States Navy was not ready to fight a future war. "We need time badly. Given that, we may prepare ourselves."

He advocated converting all modern battleships, including the Missouri, to missile-launching ships.—United Press.

## AID FOR GREECE TO CONTINUE

Athens, March 26. General Lawton J. Collins, the United States Army Chief of Staff, told reporters here that the Greek Army after their victory over the Communist guerrillas would continue to receive American aid in material and training.

Before leaving for Ankara today after a two-day visit to Greece, General Collins met Field Marshal Alexander Papagos, the Greek Army Commander-in-Chief.

The General expressed satisfaction at the successful cooperation between the American and British Military Missions and the Greek Army Command, the Greek news agency reported.—Reuter.

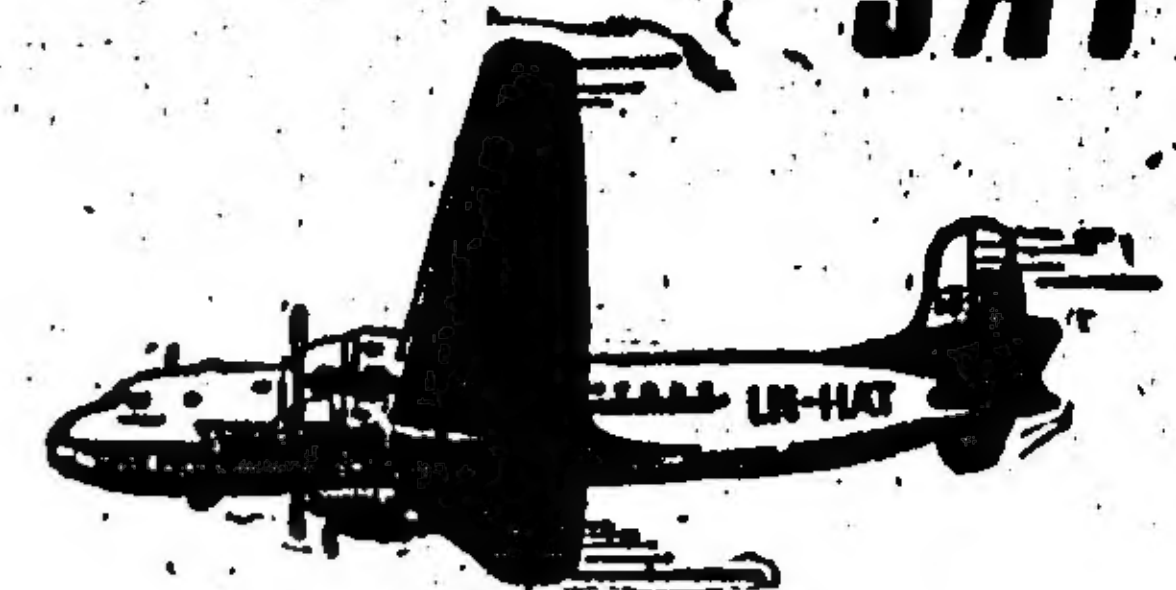
## ALY AND RITA OFF TO FRANCE

Ostend, March 26. Prince Aly Khan and his film star wife, Rita Hayworth, left Ostend today for a stay in Cannes.

Prince Aly, who recently broke a leg in a skiing accident, was taken by ambulance to the Ostend Airport and was carried by stretcher aboard his private De Havilland "Dove" plane, which had been flown out from London yesterday.—Reuter.

Prague, March 26. Two life imprisonment sentences and several other long prison terms ranging up to 21 years have been passed by a Moravian State court on a group of men charged with spying, treason and attempted murder, the Czech Press announced today. No details were given of the number of men accused. The trial began last Monday.—Associated Press.

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# Pontiff deplores state of world

Vatican City, March 26.

The Pope, in a broadcast address at a Passion Sunday ceremony in St. Peter's Basilica today, deplored a world in disorder in which all wholesome principles seem disturbed.

"There is no excuse of ignorance to mitigate the sin and the indecency which, spreading in a universality of moral degradation, have contaminated even those sections of society traditionally free from them, such as country folk," he said.

The lack of morality, the Pope said, had become part of the economic and social life of the people, inflicting the most serious wounds on mankind under the pretext of a false humanity.

# REPLY TO BRITISH COMMIES

London, March 27.

Mr. Arthur Deakin, Secretary of the world's biggest trade union—the Transport and General Workers—declared today that he was sure dockers would not take any action at the ports in response to the Communist Party's call for a ban on the handling of war materials for Malaya.

The Party's manifesto today urged trading unions and co-operative, youth, student and women's groups to demonstrate as part of an all-out, sustained demand throughout the country to stop the war in Malaya.

The call for the dockers' boycott apparently aimed at inciting a British battle of the ports, paralleling the French one in which Communist-led dockers in the last two months have refused to handle cargo destined for French forces in Indo-China.

"The dockers of this country have refused to become involved in political issues and I am sure will not want us to do so," Mr. Deakin said.

The Communist Party's manifesto today accused the Government of misrepresenting the Malayan fighting as an anti-bandit drive.

The Party claimed that it was actually a war of major dimensions against the Japanese and determined liberation movement of the Malayan people.

Dr. Deakin asserted: "The Party statement reveals clearly what I have been saying for the last two years—that the activity of the Communists among trade unionists is completely concerned with carrying out the policy of the Soviet Union and is unrelated to the real interests of trade unionists."—Reuter.

# AUSTRALIA AND JAPAN

Melbourne, March 26. Though Australian sentiment is still strongly anti-Japanese, the country cannot forever hold Japan at arm's length, the Conservative Sydney "Morning Herald" said in a leading article today.

"Whether we like it or not, the Japanese are our neighbours in the Pacific. By degrees we have to learn to treat them as such again," the newspaper stated.

"Trade is being being resumed and its development will eventually necessitate the exchange of representatives."

The paper was commenting on the "brotherhood of the Japanese" Minister, Mr. Harold Holt, who said that Japanese Blue Islands Embassy would be given an entry visa to Australia for two months.—Reuter.

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## LABOUR LEGACY FOR MENZIES GOVERNMENT

Sydney, March 27.

A perplexing problem facing the new Menzies Government is the unscrambling of a disputed socialised medical plan begun by the Chifley Labour regime.

Millions of Australians have paid taxes toward a national welfare fund from which they have received no medical benefits because most doctors boycotted the plan.

But some doctors today also object to the first proposals of the new Government to water down the "socialistic" aspects of the old plan.

The new proposals provide, in the main, for modification of direct free medicine and medical treatment in favour of subsidies to community health services. They also provide subsidies for friendly (or benevolent) societies.

As the Health Minister, Sir Earle Page explained, his new plan aims to help those who help themselves.

The new Government proposes to provide free medicine, just as the Labour regime did but only in the form of vital life-saving and life-sustaining drugs which are mostly very costly.

There is another major difference in the proposals: Under the old plan, an official formula limited the freedom of doctors to 648 specific prescriptions which the Government felt would cover most medical situations and stabilise the cost of the plan.

Sir Earle Page's first new proposal, which the Australian medical profession is discussing now, establishes a list of about 60 drugs only. It does not attempt to set up specific prescriptions.

### Simplified list

The new list would include single preparations such as sulfa drugs; anti-biotics such as penicillin; streptomycin, aureomycin, chloromycetin, insulin,

diphtheria and tetanus toxoids; anti-malarials and oxygen.

Thus, if a patient needs penicillin in an emergency, the doctor can prescribe it and the Government will pay the pharmacist for the prescription. But if a doctor should prescribe some patent medicine not on the free list, the patient would have to pay for it himself.

"What is needed is not so much free bottles of medicine, as the raising of the general standards of the health of the nation," Sir Earle contended.

Two popular forms of medical insurance would stand to benefit from the Government's proposed subsidy plan. They are the friendly (or benevolent) society, for those earning less than £550 a year, and the medical benefit fund, for those earning more than £550. Two of the biggest societies are underwritten by the British Medical Association.

The doctors against the subsidy maintain it would force people in lower income areas to join the subsidised societies and thus "conscript" doctors in such areas to the line with the society.

### Would have to join

Then again, people wouldn't get any benefits unless they joined a friendly or medical society, even though they were paying for it indirectly in social service taxes, it is contended.

The Labour Government collected £90,000,000 in social service payments during the 1948-1949 fiscal year. Mr. Chifley's budget for 1949-1950 provided for another £90,000,000 to be collected in the current year.

Now, if the Menzies medical project is to be basically a contributory scheme, Australians will still want to know what is going to happen to all the tax money they paid into the national welfare funds, out of which, in addition to social security benefits such as old age and invalid pensions, they were promised a national health plan.

"If the Government plans to give the country a real health scheme, it will have to dip heavily into the credit balance of the national welfare fund. If not, then the public will want a lot of its social services payments back—in lower taxation," said a Sydney Daily Telegraph editorial.—United Press.

## No partings

From Brisbane comes a report that will interest many prospective emigrants.

Arthur Morley reports that British working-class immigrants from their pets have paid £20,000 since the war to take dogs and cats to Australia.

The market value of the pets was estimated by veterinary experts of the Australian Quarantine Service at £25,000.

A spokesman for the Quarantine Service in Sydney says: "Migrants are cheerfully paying 30 to 50 guineas for their dog's fare. Some of the dogs are valuable, but most of them are non-descript."

The Melbourne branch of the Service has announced that it cannot accommodate any more pets in its quarantine depot. A Pekinese dog from the liner Delphi had to be sent on to Sydney for its three-month quarantine period, imposed by law to prevent the introduction of animal diseases.



'MIND YOU, THE SELECTION COMMITTEE IS MUCH MORE DIFFICULT THIS YEAR!'

## Japanese opposed to U.S. keeping of bases

Tokyo, March 27.

Representatives of nine major provincial newspapers believe that most Japanese are opposed to the United States retaining bases in this country after a peace treaty is signed.

There have been reports that the United States would like to keep some bases here, and a survey completed today by the United Press is the first effort to get nationwide reading on the Japanese reaction to the idea.

Individual Japanese in the past have expressed favour for the idea in some cases while others have spoken against it.

The survey was made by submitting questions to Tokyo bureau chiefs of large papers published throughout Japan. More than 20 were asked to participate but replies came from only nine.

The replies indicated that the Japanese are not in favour of a foreign power having bases in Japan after a peace treaty is signed. A variety of reasons was given.

Five of the Japanese newsmen believed that any foreign bases in Japan would be a violation of Japan's new constitution which renounces war and provides that Japan will not have any military forces. Four thought that the United States retention of bases here would inevitably lead to trouble between Russia and Japan.

Two were of the opinion that Japan would remain completely neutral and world opinion would serve as her protector. One reply pointed out that the Japanese would probably not have anything to say about whether bases were kept here or not but said the Japanese did not want them even though they are opposed to Communism.

### Enough of war

Two replies said the Japanese had had all war they wanted, were scared to death of war and did not want to have anything to do with anybody's military organisation for war that would draw them into another war.

Here are some of the comments: "The people in general do not seem to favour having any

foreign military bases in Japan. They would, however, favour the idea of having the United States maintain bases in Japan rather than the Russians."

"U.S. bases in Japan would give the Soviet Union reasons to make charges against Japan and may lead Japan into war."

"People would like to live up to their new constitution which completely renounces war. They were fed up with war."

"Japan would not like to enter the cold war. One of the factors influencing the people in arriving at their decision opposing U.S. bases in Japan is that they are surrounded by Soviet-influenced nations and territories."

Most of the replies indicated that the Japanese feel sure their country will become the battleground in the event of war between the United States and Russia. All expressed the hope that such a war could be prevented and Japan could be spared the horrors of war again.—United Press.

## ERITREA AMBUSH

Asmara, March 26.

Shifta bandits ambushed a Public Works Department lorry on the Massawa road today, seriously wounding three native constables and three escorts with hand grenades and rifle fire.

One Italian on the lorry was uninjured.

Bandits made an earlier attack on a native bus near Adi Ugri, 32 miles from Asmara, firing on the passengers and killing one of them. A police constable was wounded.

Police are now patrolling both areas.—Associated Press.

## Ultimatum in Leopold crisis

Brussels, March 26.

Albert Devezé today handed the Belgian Social Christian Catholic Party a four-day ultimatum to abandon King Leopold III or face the electorate early in May.

M. Devezé, Premier-designate and leader of the Liberal Party, told a Press conference that he would ask the Regent, Prince Charles, to dissolve Parliament if the Social Christians refused to accept a national solution of the nation's two-week-old governmental crisis.

M. Devezé is the Defence Minister in Belgium's present Cabinet. As such he is due to attend a meeting of Atlantic Pact Defence Ministers this week at The Hague.

He told correspondents that for this reason he would not negotiate with political leaders beyond Thursday, when he intends to leave for Holland.

The dissolution of Parliament automatically calls for a general election in 40 days.

The 68-year-old Liberal leader did not explain what he meant by a national solution, but under present circumstances this can only be Leopold's abdication in favour of his 19-year-old son, Prince Baudouin.

M. Devezé's own formula is believed to be for Leopold to return for a while—time enough to be vindicated—under a promise to abdicate once he has been re-elected.

A shrewd negotiator, M. Devezé merely said he wants a formula acceptable to all three major parties. They are his own Liberal group, which holds the balance in the House of Representatives, the strongly pro-Leopold Social Christians and the avidly anti-Leopold Socialists. Nearly all Liberals favour abdication.—Associated Press.

## NEW PARTY IN BAVARIA

Nuremberg, March 26.

Representatives from all parts of Bavaria today founded a new political party, the "Refugees Bloc", to fight in the State elections in the autumn.

The Party's programme calls for the peaceful return to Germany of the territories lost in the East through the war. It also states it will work for equal rights for refugees inside the present West Germany.—Reuter.

Malta, March 26.

Over 1,000 Maltese, mostly women and children, sailed for Australia today on board the Government liner "Oceanic" to join their husbands and fathers. A similar number left for Australia at the end of February.—Associated Press.

## MOUTH OF WHANGPOO SILTS UP

Tokyo, March 26.

Shanghai, the city built on mud, is being strangled by the ooze from which it arose.

A report from the U.S. Navy says mud from the mighty Yangtze is choking off the sea approach to what was once the third busiest port in the world.

The man who wrote the report and mariners who have studied it say that within a year Shanghai will be inaccessible to commercial shipping of any importance, regardless of the Nationalist blockade.

Thus Shanghai will be cut off by nature from the trade which made it grow into a city of five to six million people. It faces the prospect of deteriorating into an isolated inland provincial centre. The Yangtze for years has been carrying countless thousands of tons of mud to the sea.

The silt settles at a point where the Yangtze pours into the East China Sea.

Only constant dredging in the past kept the Yangtze's mouth open so that big ships could go 65 miles up-stream and into the Whangpoo River to Shanghai.

Dredging ceased when the Communists took Shanghai in May, 1949. Now the South Channel, the only usable approach left, is rapidly turning into a mud bank that will be passable only to junks or other small vessels.

The North Channel is the only other entrance to the Yangtze. Large ships stopped using it in 1931 due to silting.—Associated Press.

## U.S. trade contacts with Indonesians

New York, March 26.

An official of the American-Indonesian Corporation, which has been trade representative of the Republic of Indonesia, said the head of his company is working out an arrangement with the new United States of Indonesia for continued operations in several private fields with USI co-operation.

The Economics Minister of the USI, the union which now includes the Republic, told his Parliament at Jakarta that the contract with the American-Indonesian Corporation had been cancelled.

He added that his Government will compensate Matthew Fox, American businessman and film executive and head of the Corporation, for the money he had put into Indonesia's fight for independence. This figure has been reported at more than half a million dollars.

Mr. Randolph Feltus, an associate of Mr. Fox in the Corporation who recently returned from Indonesia, issued the following statement through his New York office:—

"Mr. Fox has been in Indonesia for several weeks at the invitation of Prime Minister Mohammad Hatta to establish a new relationship in which he can serve Indonesia in his new status.

"The old contract, which was with the Republic of Indonesia, served a vital purpose in the Republic's fight for freedom. Mr. Fox's new arrangement will take a different form and will have to do more with private business than exclusively with the Government as provided in the old contract, which set up the American-Indonesian Corporation to effect all Republican Government buying and selling transactions in the United States.

"On a non-exclusive basis, but with Government co-operation and guarantees, Mr. Fox will operate in several private fields on a substantial basis. Announcement will be made in Indonesia when details are settled."—Associated Press.

Singapore, March 26.

The new Governor of Sarawak, Mr. Anthony Foster Abell, arrived here today on his way to Kuching to take up his appointment. Mr. Abell succeeded the late Mr. Duncan Stewart, who was assassinated by a young Malay at Sibu last December.—Reuter.



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# NEW THEORY ON LIFE'S ORIGIN

London, March 26.

A theory that life originated on the shores of the ancient seas under conditions which can never again be duplicated is engaging the attention of British scientists.

It is regarded as one of the most interesting contributions to science's greatest mystery in this century.

## TRAGEDY OF TWO SISTERS

New York, March 26.

The police broke into the flat of two elderly women recluses today and discovered among the mountain of accumulated junk, one dead and the other babbling incoherently.

The body of Mrs. Frances Richter aged 63, was found under the bed in the cluttered four-room apartment. Her sister, Mrs. Margaret Hahn, aged 63, was discovered in the kitchen mumbling to herself. She was taken to Bellevue Hospital for observation.

Neighbours seldom saw Mrs. Hahn. They said Mrs. Richter did all the marketing and was very friendly with the neighbours but never let them enter.

A mass of newspapers, old magazines and assorted rubbish filled all the four rooms. The police broke into the flat after the superintendent complained they did not answer when he went to inspect the flat's fixtures.—United Press.

## Robot weatherman

A robot weather man developed by a team of radio experts and physicists in the New Zealand Department of Scientific and Industrial Research, promises to revolutionise meteorological methods in that and perhaps other parts of the world.

Alan Hurdcastle, in Wellington, says that the "weatherman" is built to operate for months on end, even for years without receiving attention.

In the South Pacific countries an automatic weather system and reporter will be of great advantage. In the Northern hemisphere a close network of manned reporting stations is feasible, but in the Southern hemisphere land masses are far separated and the few islands are uninhabited, and mostly uninhabitable.

The robot takes no account of bleak rocks, bitter cold and blizzards; it functions regardless of these. It can be given virtually unlimited storage battery power and be kept charged by wind-driven generators.

The prototype robot set up at the central meteorological office in Wellington has been faithfully reporting at three-hourly intervals for weeks now. Wind strength, wind direction, barometric pressure, temperature and humidity are all recorded. Robot No. 1 will probably be dispatched to the uninhabitable Snare Island, 150 miles South of New Zealand.

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## Bolivian coup nipped in the bud

La Paz, March 26.

The Bolivian Government announced today that it had foiled a Communist revolutionary plot planned to start next Tuesday under the leadership of a high Russian military chief and French Communist agents.

The leaders, together with a number of others, were arrested last night while holding a meeting to arrange final details, the communists added.

The revolution was planned to break out simultaneously at several points throughout the country while the President, Mr. Mamerto Urriolagoitia, was addressing a Congress of schoolmasters at Sucre, 250 miles from La Paz, the capital.

The communists said that the entire country is quiet.—Router.

## Patronising Christianity

By THE REV. SIDNEY M. BERRY, D.D.

It is a kind of inverted tribute to Christianity that men intent on quite other things should attempt to use its authority or influence for their own purposes.

In the period of His earthly life, men sought to crown Christ as King, not because they were willing to render obedience to Him, but because they believed His Kingdom would favour their political plans.

Many others in the generations since He came have adopted the same attitude. Rival schools of political or economic thinking attempt to use Christianity as a counter to their game of securing adherents.

The patronage of Christianity is a theme which runs through the centuries of its history. The blatantly materialistic schools of thought in modern times have only varied that theme in dismissing Christianity as a dope. They have sought to patronise denial in the interests of their idol worship of the State.

From one point of view all this is a childish game, but it has its tragic side. Whenever men turn to Christianity in order to use it for their own ends they are demeaning the highest things in life and indulging in a form of practical blasphemy.

No one has ever made a start on the road which leads to a living faith unless he has come to God to learn and to obey.

To attempt to use God rather than to surrender oneself to be used by Him is perilously near to the "graveside" of all sins.

May it not be one of the reasons for the present state of the world that the face of God in hidden because men are intent on using Him for their own ends, and not seeking to find and to do His Will?

It is "the pure in heart who see God," those who are single-minded in their passion to understand and to follow.

## Vandenberg plan for U.S. foreign policy approved

Washington, March 26.

Senator Arthur Vandenberg's proposal for a non-partisan commission to study long-range American foreign policy won enthusiastic support in the Senate today.

Several members were particularly interested in the Michigan Republican's suggestion which proposed that the Commission consider the problem of dealing with Western European nations after the Marshall European recovery programme expires in 1952.

Among the supporters of his proposal were Republican Alexander Smith and Democrats John Sparkman, Virgin Corman, Chapman Willis Robertson and Lister Hill.

House voting on the omnibus foreign aid bill for the next fiscal year is to begin on Tuesday. Administration adherents are most concerned about the provision that would provide \$25,000,000 for the start of President Truman's "Point Four" programme.

Some feel that odds are against its approval. There is nothing to indicate that Senator Vandenberg's suggestion for the "non-partisan" commission is connected with the

The fifth of six articles on:

## The Chinese Revolution

The victory of the Communists in China does not mean simply the ordinary change of one Government for another, a thing which merely affects China itself. The Communist victory is a great revolution in the life of one-fifth of the inhabitants of the world. A revolution of this sort lets loose expansive forces which may bring the whole of the rest of the world into danger.

Great Britain, though several thousand miles away from China, is nevertheless its neighbour. For Hong Kong is British territory. So is Malaya, which is dangerously near China. Though Great Britain has laid down its former imperial position in Asia it has still the obligation to play a part in preserving peace and security throughout South Asia. It is thus being forced by China's revolution. That is the reason why the British Government has taken its elaborate precautions in Hong Kong.

The Communist leaders in China are not simply politicians. They have brought into politics many of the emotions which normally are found in religion. Unquestionably, many of them think of themselves as leading a crusade for the "liberation" of the world. The Chinese Communists are especially interested in the liberation of Asia.

They have drawn their view of the outside world chiefly from reading Marxist literature. Few of them have travelled abroad. Those who have travelled in foreign countries see them deflated and distorted by what they have been taught by their reading.

### Communist view

The orthodox Marxist teacher of Asia has taught that for more than a century the Western capitalists have battered off the Eastern countries which either became colonies in the case of India and Burma or semi-colonies as in the case of China. From this miserable condition the Eastern countries have been rescued one after another by nationalist movements. These have put an end to the actual political subjection of Eastern countries to the West. It has been the Communist tactics to co-operate with Nationalism in its struggle against the West.

The Communists continue their analysis further. They see that when Eastern countries are emancipated politically a new phase begins. Power may then pass into the hands of the local bourgeoisie. The Communists say that this bourgeoisie then organises a police State and becomes as savage an exploiter of the masses as were the Western capitalists.

This, say the Communists, is what happened in China after the Kuomintang seized power and asserted its authority against the Western countries, compelling them to renounce the privileges which they had won by force. According to the Communists, it is happening also in India. But in India, they say, there has not been a genuine liberation from the West. The Communists pretend that the transfer of power by the British was a blind. Really, they say, there was a secret understanding between Western capitalists and the Indian Congress to go into partnership in exploiting the Indian masses. The Communists accuse Mr. Nehru and Mr. Patel, the two principal leaders of India, of being stooges for the West.

By Windrush

"Eastern Cominform" with headquarters at Peking, which will be the High Command for the crusade.

### Dangerous crusade

That is how it appears to the Communists. A less biased observer might see that what the Communists really aim at doing is to use the discontents in Asia in order to establish their own political power over a wide area as possible. The typical Communist State whenever it has been set up in the West itself is a police State on a scale quite unparalleled. There seems no reason to think that the Communist State in China will be any different in this respect from Russia.

What may make the Communist crusade more dangerous is that the ambitions of the Communists will more or less coincide with the traditional Nationalist ambitions of the Chinese

people. It has been the fashion in recent years to think of the Chinese as a peaceful people. This is not really correct. In fact the Chinese, before the coming of the West, were an active and expansionist political force. Originally, the Chinese State spread from a small area in North China until it subdued the non-Chinese peoples of the South. For a period of many centuries, the Chinese Empire spread its power sporadically far over Central Asia. Nearly 2,000 years ago Chinese armies actually reached the Caspian Sea. Large Chinese navies have appeared at Ceylon and in the Arabian Sea. In the past century there has been a great outward drive, quite unorganised but formidable, by the Chinese people into SE Asia. The Chinese Government has, at various stages in history, been accepted as overlord by Burma, Nepal, Tibet, Annam, and many other Asian countries now independent. The Kuomintang, in its later period, had begun to revive the ambition of reasserting the ancient authority of China. Chinese neighbours will fear that the Chinese Communist Party, under the pretence of spreading the Communist faith, may, in fact, be impelled, at least partly, by this old imperialist ambition. (To be continued)

## CROSS-ROADS

By Guy Ramsey

Today the Church of England is controlled by a Parliament many of whose members are not even nominal Christians.

What will be its fate tomorrow, when (if the present trend "modern" thought persists) the State becomes totalitarian and, instead of vaguely Agnostic, actively anti-Christian?

That is the question asked by Cyril Garbett, Archbishop and Metropolitan of York, in a large—and even a great—book published today: Church and State in England.

Will the Church either disestablish itself or be disestablished—eliminating from the national life an integral and important element which has endured for centuries, reducing the historic "C. of E." to the status of just another Church permitted to exist in Britain?

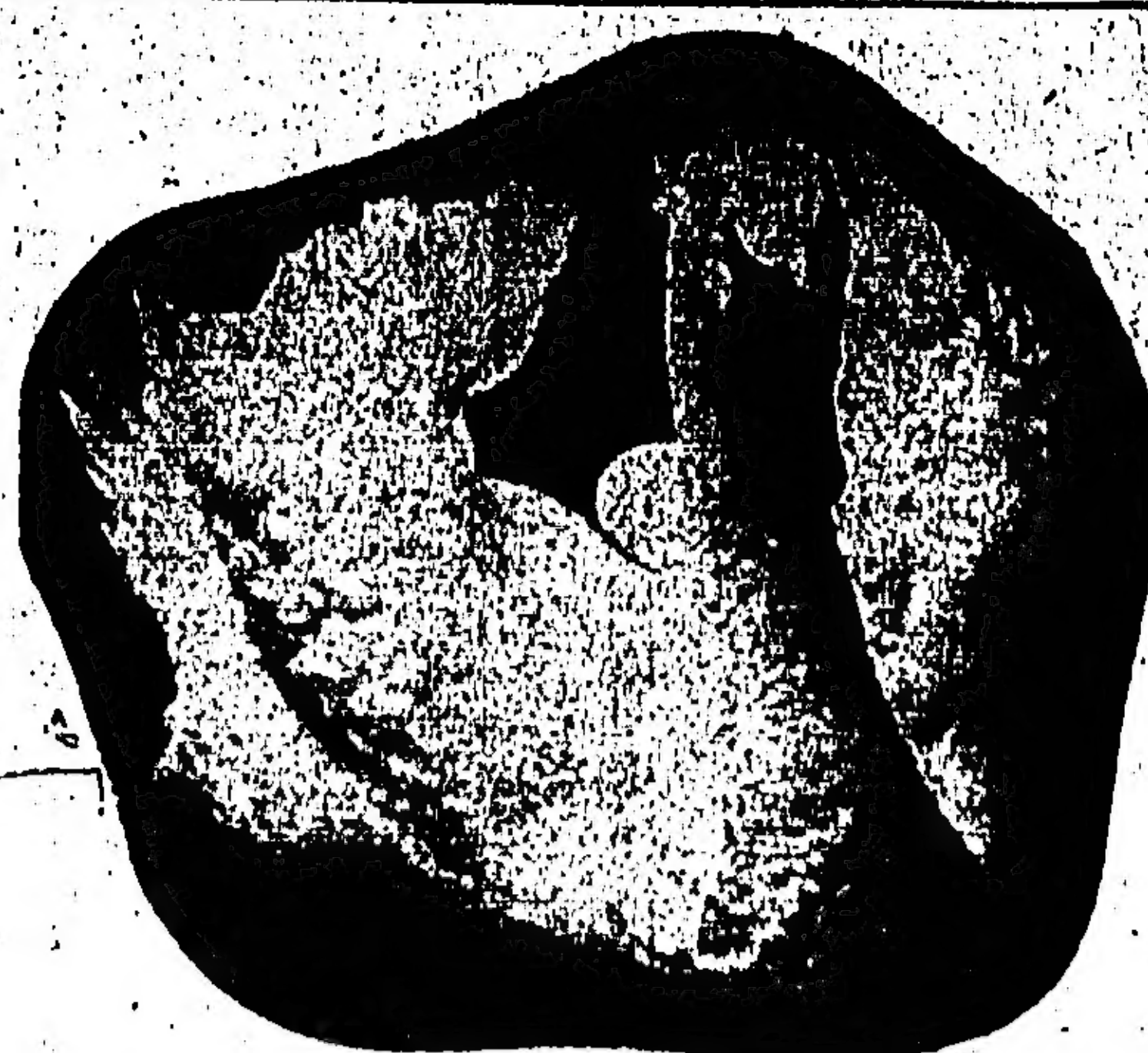
The Archbishop poses his question and gives his answers against a background of history, tracing the strengths and weaknesses, the rise and fall and rise

again of the Church in its conflict and co-operation with the State.

There is no clear-cut answer to the modern dilemma—any more than there was to any of the historical cross-roads; there are lions in every path: lions of economic privation (which mean fewer men to fight the good fight, not less money for lazy Churchmen to have a good time); and the even more dangerous lion that a Church disestablished may have more freedom in theory but less in fact to fulfil its function than it has when yoked to the State.

Cyril Garbett himself warns the cold print with his wide sympathy, his deep tolerance, his recognition of the good and the bad in other Churches as well as in his own.

His voice is the voice of sanity and balance crying for reform from within rather than for a solution from without; for a patient, careful programme, gently but resolutely undertaken and carried through, whereby the Church shall continue her work more greatly than ever before.



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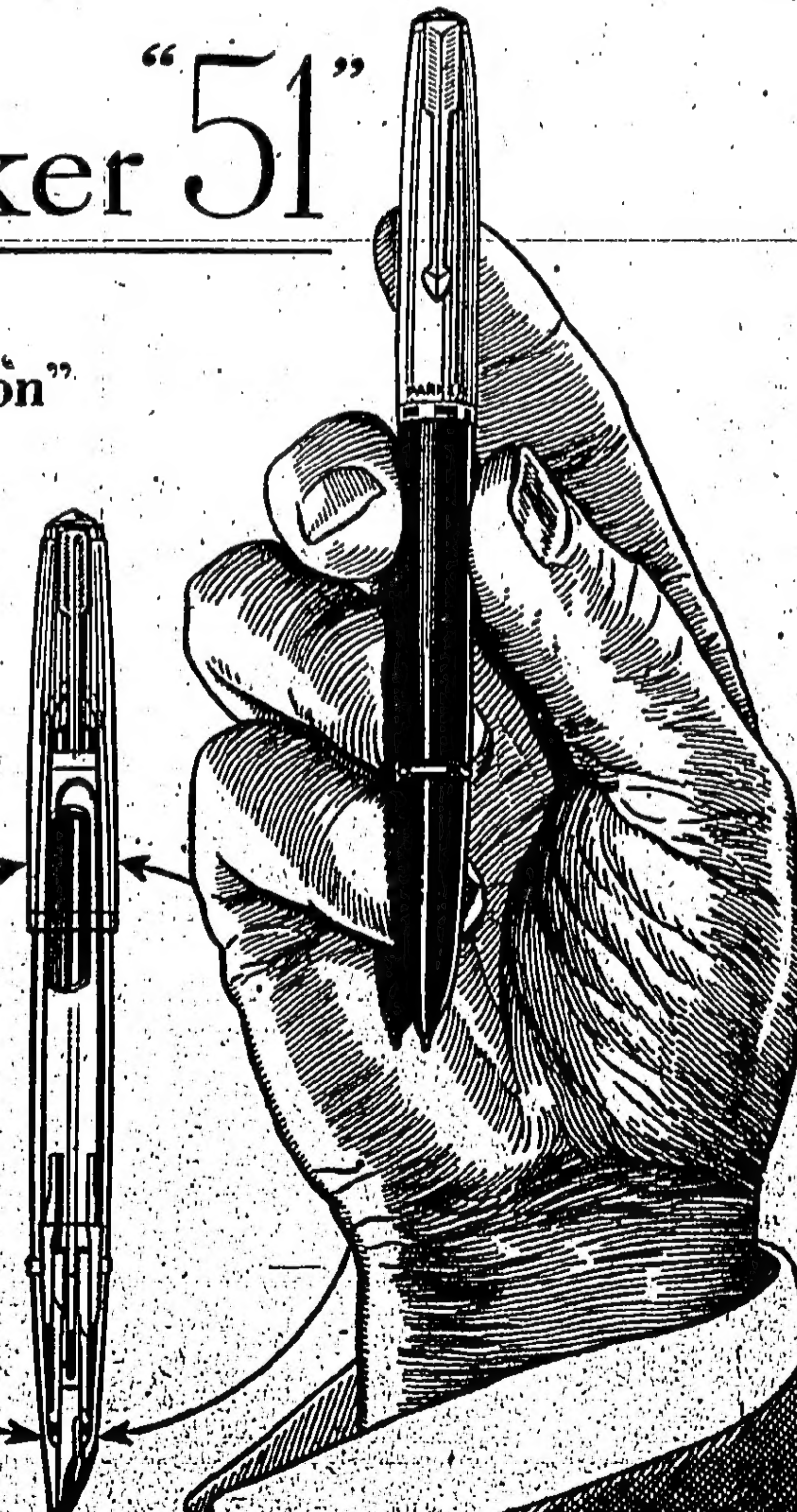
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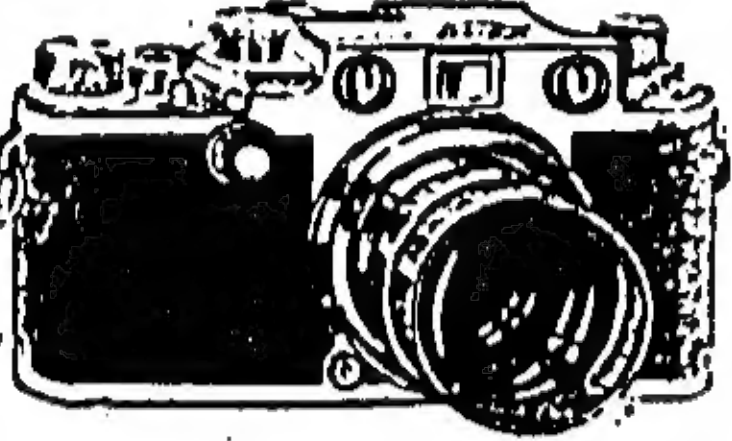
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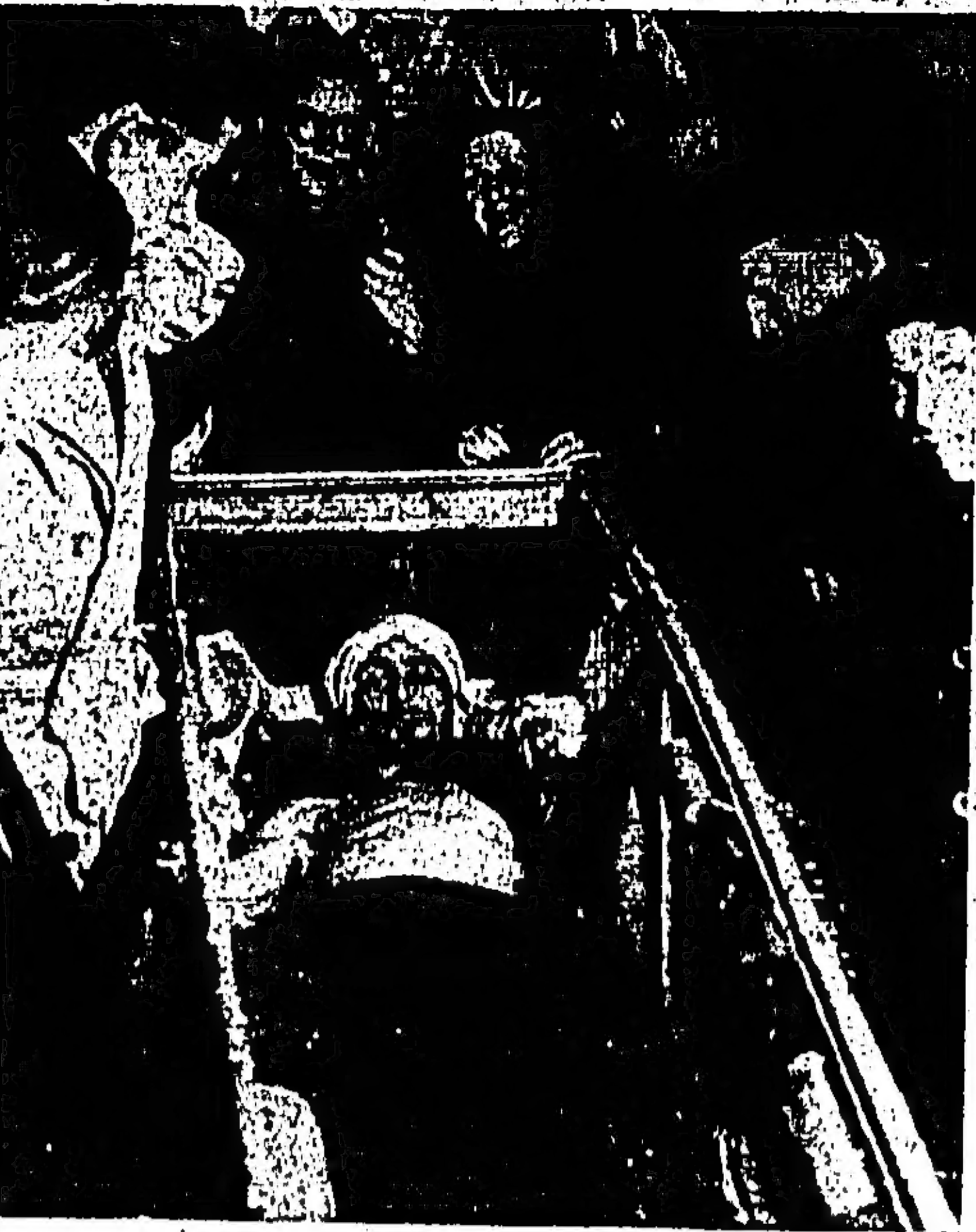
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## Vipers as bedmates



The Fakir Brahman, famed in France for his weird per-  
formances, recently started a new form of endurance test at  
Nantes, Western France. He had himself sealed in a glass  
coffin with 20 vipers and intends to stay there without food  
for 24 days.—(AP Photo).

## Australia out to promote dollar trading with U.S.

Canberra, March 27.  
Australia's new Menzies-Fadden Government  
realizes the need for new and bolder schemes  
to promote dollar trade with North America.  
The Commerce and Agriculture Minister, John  
McEwen—who was an Australian delegate to  
the United Nations 1945 San Francisco con-  
ference—said that the dollar problem is not  
a short-term one.

Prospects of greater imports  
from North America would re-  
main bleak unless present  
dollar earnings improved, he  
said.

Mr. McEwen revealed that some  
of the Government's plans to in-  
crease Australia's dollar income  
include:

1. Efforts to open new mar-  
kets in all hard-currency areas.  
This includes South America  
where an Australian trade mis-  
sion is now working.
2. New methods of spinning  
wool for the North American  
trade.
3. New developments in West  
Australian fisheries to increase  
exports of frozen lobsters to the  
United States.
4. Increased production in the  
tuna-canning industry to meet  
American demands.
5. Government assistance to  
orchid growers to help them de-  
velop the quality and quantity of  
plants for export to the United  
States.

Exports to U.S.

Mr. McEwen said Australia's ex-  
port trade with North America—  
now near the \$100 million a year  
mark—is double the pre-war  
level.

Australian sales to other hard-  
currency countries, such as Bel-  
gium and Switzerland, are now  
also higher.

Australia had not diverted  
essential supplies away from  
sterling countries to dollar  
sources because Australia was  
helping Empire dollar problems  
by supplying goods to soft-  
currency British Dominions which  
otherwise would have to be  
bought with dollars.—United  
Press.

## Russian attack on Sharett

Moscow, March 26.

The Moscow "Literary  
Gazette" called the Israeli For-  
eign Minister, Moshe Sharett,  
today a "malicious gossip".

The Soviet paper alleged that  
Mr. Sharett is a follower of Dean  
Acheson and said that as per Mr.  
Acheson's recipe, Mr. Sharett  
composed a recent Tel Aviv  
speech in which he called the  
partisans of peace a propaganda  
apparatus.

The "Literary Gazette" said Mr.  
Sharett's assertion that Israel is  
carrying out an independent  
foreign policy is nonsense and  
declared the Israeli Government  
has put the nation in the hands  
of the U.S.

The article said Israel had re-  
ceived the American loan on con-  
ditions of enslavement and was  
now asking for more.  
The "Literary Gazette" de-  
clared: "We have already noted this  
same spiritual kinship between  
Mr. Sharett and Mr. Acheson."

"The Israeli liar and slanderer  
is a match for his American boss.  
Just as the effusions of Mr.  
Acheson are not able to convince  
the peoples of the American  
atomies' love of peace, so also  
the lies of Mr. Sharett are unable  
to justify a policy of grovelling  
before Washington on the part of  
ruling circles in Israel."—As-  
sociated Press.

AIR TRAGEDY IN  
NEW GUINEA

Melbourne, March 26.  
A converted Lockheed Hudson  
bomber, which crashed into a  
house at Lae, New Guinea, set-  
ting it ablaze, killed a man and  
a woman last night, according to  
a report received by the civil  
aviation authorities here today.

Covered pilot, Harold Gibson, Les,  
of Victoria, was seriously injured  
but is believed today to be out of  
danger. Les was special pilot to  
the former British Prime Minis-  
ter, Lord Baldwin, for two years  
while serving with the Royal Air  
Force.

The dead man was Mr.  
Stanley Flarey, a Qantas Empire  
Airways official.  
The bomber swerved into his  
house when it got out of control  
while making a crash-landing.  
—Reuter.

## Vicar's fast against the hydrogen bomb

Bexhill, March 26.

The Anglican Vicar of this  
South East coast town, the Re-  
verend R. S. Waterson, began  
a fast against the hydrogen  
bomb today—Passion Sunday.  
He will fast—for 12 hours  
a day—to back his demand  
for the establishment of a  
National Committee to nego-  
tiate with the United States  
and Russia to outlaw the H-  
bomb.

He ate a breakfast of a  
boiled egg and bread and but-  
ter this morning. No other  
food passed his lips until  
darkness fell when he sat  
down to a light evening meal.  
The Reverend Waterson has  
written to the Prime Minister,  
Mr. Clement Attlee, telling  
him that he is calling all  
Christian people to a solemn  
fast and prayer to continue  
until Easter Day.—Reuter.

## AFGHAN SHAH VISITS PERSIA

Tehran, March 26.

Mohammad Zahor, Shah of  
Afghanistan, arrived in Tehran  
by air today. He was welcomed  
at the airport by the Shah, Premier  
Mansoor, the Diplomatic Corps  
and dignitaries.  
He will be an official guest of  
the Iranian Government for four  
days and will stay at the Royal  
Palace.—Associated Press.

## Parcels for Britain are slackening off

Sydney, March 27.

Australian response to the Food for Britain Fund  
has slackened considerably during January  
and February of 1950, according to the general  
organising secretary, Harry Simpson.  
There has been a 30 per cent drop in the normal  
turnover after Christmas.

Contributions seem to be  
falling off mainly from a  
section of the public which  
sends parcels to unknown per-  
sons through factory group  
subscriptions and dance or  
social benefits.

Mr. Simpson said people with  
relatives and friends in Britain  
are continuing to send parcels  
because they know what and how  
much they are needed.

"However, the man in the street  
is really fogged," Mr. Simpson  
said. Most Australians are un-  
decided about Britain's need for  
food parcels. They are confused  
by pre-election statements saying  
Britons were now very well fed,  
and European recovery, as well  
as Germany's de-ratification.

"If the Germans can do it, why  
can't Britain?" thinks the Aus-  
tralian worker for whom a voluntary  
contribution of a couple of shill-  
ings weekly is no small gesture.  
Since it was opened on Novem-  
ber 3, 1947, the Food for Britain  
Fund has delivered 2,500,000 par-  
cels in Britain, and hopes to pass  
the 1,300,000 mark this year.

Mr. Simpson said contracts with  
London packers call for 5,000  
food parcels daily. If orders con-  
tinue to drop in Australia, he  
said, costs will be forced up. The  
Fund could not operate efficiently  
on a small scale. Outside of the  
British Ministry of Food, Mr.  
Simpson said, the FBF is probably  
the biggest bulk buyer of food-  
stuffs in Australia.

Bank agents

"Even a small increase like  
1/8 per parcel will generally  
disorganise completely our or-  
ganisation. We will have to  
start at the bottom of the lad-  
der again—it will take us  
months and months," the Fund  
secretary said.

At present 2,115 banks through-  
out Australia act as honorary  
agents of the fund. They accept  
payment of 10 shillings per parcel  
and issue labels on which sub-  
scribers write the name of friends  
or relatives.

"Australians would be glad to  
hear that parcels are no longer  
required and that the Fund can  
be closed," Mr. Simpson said.  
He added, however, that as long  
as the need is there they would  
keep on sending parcels.

"Information to stimulate in-  
terest for the Fund must come  
from the United Kingdom because  
Australians don't know what  
Britain's food position is like,"  
said Mr. Simpson. He felt that if  
the need for parcels still exists,  
then there have been insufficient  
statements made in Britain to  
convince the Australian public.—  
United Press.

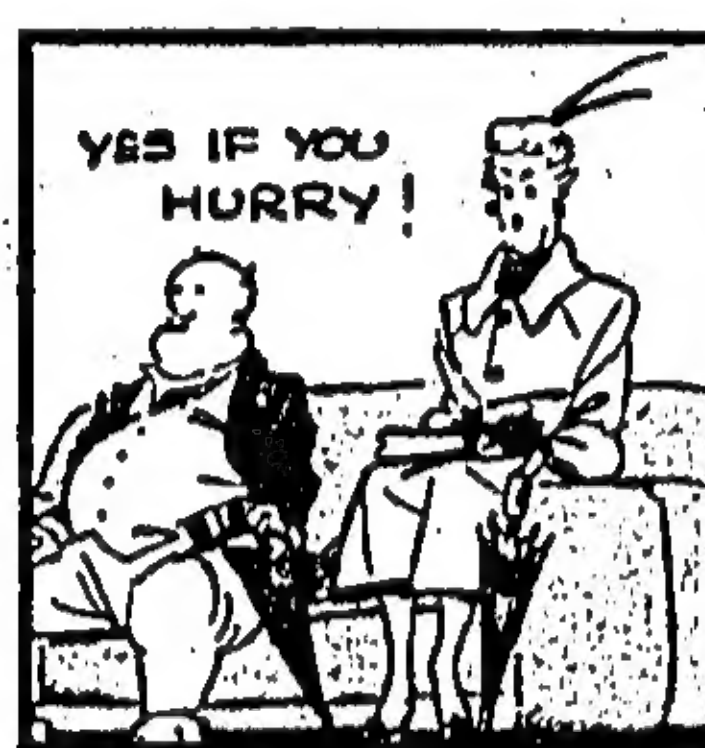
## BRITON KILLED NEAR CALCUTTA

Calcutta, March 26.

The President of the Bengal  
Chamber of Commerce, Mr. A. L.  
Cameron, was shot dead this  
morning near Chinsurah, about  
23 miles from Calcutta.

Mr. Cameron, who was a partner  
in the Andrew Yule Com-  
pany, was returning to Calcutta  
from Chinsurah when he was  
caught in a communal riot in a  
mill area through which he had  
to pass.—Reuter.

## POP



## MANDRAKE THE MAGICIAN

By Lee Falk and Phil Davis



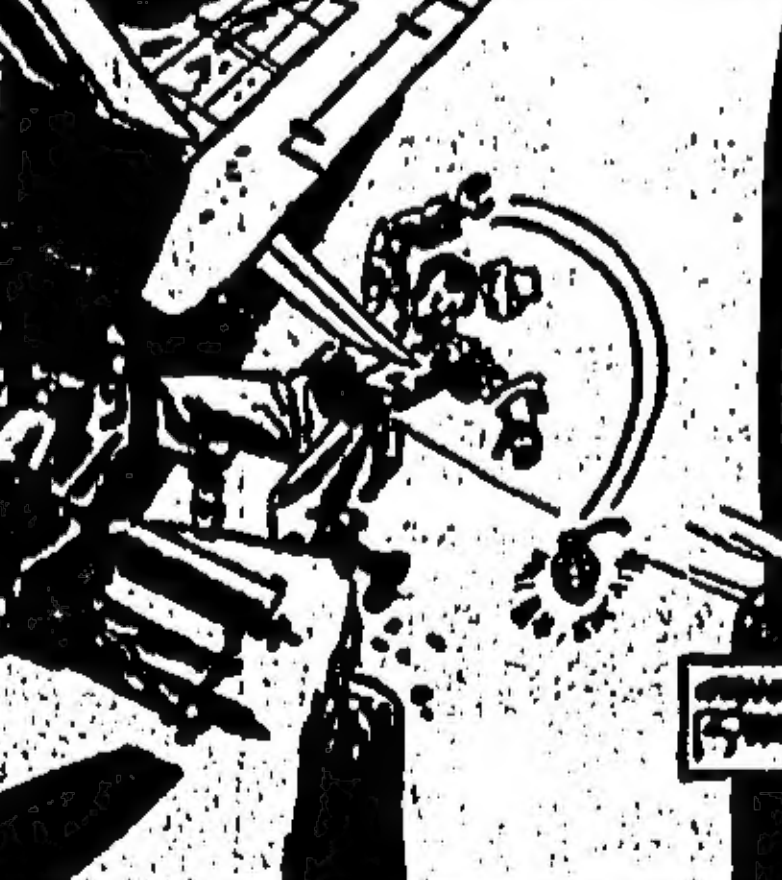
## RIP KIRBY

By ALEX RAYMOND



## JOHNNY HAZARD

By FRANK ROBBINS



## JANE





# BUTTERFIELD & SWIRE

CHINA NAVIGATION CO., LTD.

SAILLINGS TO		
"SHENGKING"	Keelung	5 p.m. 28th Mar.
"HUNAN"	Tientsin	5 p.m. 29th Mar.
"NEWCHWANG"	Saigon & Bangkok	5 p.m. 30th Mar.
"SHANSI"	Yokohama, Nagoya, Osaka & Kobe	5 p.m. 31st Mar.
"HANYANG"	Incheon & Tientsin	3 p.m. 2nd Apr.
"FOOCHOW"	Yokohama, Nagoya, Osaka & Kobe	5 p.m. 3rd Apr.
"SHENGKING"	Keelung	5 p.m. 4th Apr.
"SZECHUEN"	Bangkok	5 p.m. 8th Apr.
"YUNNAN"	Singapore	15th Apr.
"ANHUI"	Singapore, Penang & Belawan	3 p.m. 16th Apr.

\* Sails from Custodian Wharf.

ARRIVALS FROM		
"KWEIYANG"	Bangkok	3 p.m. 28th Mar.
"FOOCHOW"	Indonesia & Straits	30th Mar.
"SHENGKING"	Keelung	p.m. 2nd Apr.

RIVER SERVICE		
Hongkong/Macao	Macao/Hongkong	
Dept. Hongkong	Arr. Hongkong	
"WUSUIH"	2 p.m. daily except Wed. & Sun.	7 a.m. Tues., Wed., Fri. & Sat. 5 p.m. Sunday

## BLUE FUNNEL LINE

Scheduled Sailings to Europe via Aden & Port Said.

"PATROCLUS"	Havre & Liverpool	4th Apr.
"ANTIOCHUS"	Genoa, Marseilles, Liverpool, & Glasgow	25th Apr.

ARRIVALS FROM		
"PATROCLUS"	U.K. via Straits	In Port
"ANKING"	U.K. & Rotterdam via Straits	29th Mar.
"ANTIOCHUS"	U.K. via Straits	31st Mar.
"TELEMACHUS"	U.K. via Jeddah & Straits	4th Apr.
"AUTOLYCUS"	U.K. via Straits	11th Apr.
"MENTOR"	U.K. via Straits	14th Apr.
"CLYTONEUS"	U.K. via Straits	20th Apr.

## NEW YORK SERVICE

"AGAMEMNON"	Arr. from USA via Manila	In Port
-------------	--------------------------	---------

Carriers option to proceed via other ports to load & discharge cargo.

**AUSTRALIAN ORIENTAL LINE LTD./CHINA NAVIGATION CO., LTD. JOINT SERVICE**

SAILINGS TO:  
"CHANGSHA" Sydney & Melbourne 7th Apr.  
"TAIPING" Sydney & Melbourne 12th Apr.  
"CHANGTE" Japan 4th week Apr.

ARRIVALS FROM:  
"CHANGSHA" Japan 4th Apr.  
"TAIPING" Kure 9th Apr.  
"CHANGTE" Australia & Manila 3rd week Apr.

All the above subject to alteration without notice. For Passage and Freight particulars please apply to:

**I. CONNAUGHT ROAD, CENTRAL**  
Tel. 30331/8 Private Exchange.

BRANCH OFFICES: 50 Connaught Rd West 25875, 32144, 24878, Chater Rd. Cable and Wireless Bldg. 27160

## HOLLAND—EAST ASIA LINE

### M.S. "HOOGKERK"

LOADING 5th AND 6th APRIL

for  
MANILA, SINGAPORE, COLOMBO, ADEN, SUEZ, PORT SAID, ALEXANDRIA, GENOA, MARSEILLES, ANTWERP, ROTTERDAM, AMSTERDAM, HAMBURG, COPENHAGEN, GOTHENBURG and OSLO

Agents:

## ROYAL INTEROCEAN LINES

King's Building, Connaught Road.  
Tels. 28015, 28016, 28017.

## U.S. ORIENT MERCHANT LINE.

ARRIVALS		
SHIP	FROM	DUE
"VASSILIS"	EAST COAST U.S.A.	Abt. 9th Apr.
"ANNITSA"	do	16th Apr.

W. R. LOXLEY & CO., (CHINA) LTD.

Yok Building, Tel. 34165

## FRESH FISH PRICES.

Other Grouper	1.50
Golden Thread	1.50
Snake Head	1.50
Conch	1.50
Red Sea Bream	1.50
Black Tail	1.50

## ELERHANT KILLS LITTLE BOY

Shanghai, March 27. A little boy feeding peanuts to circus elephants was killed yesterday when one of them suddenly whipped her trunk around and crushed him to the ground and stepped on his head.

# ROMULO ENDORSES LIE'S PEACE SUGGESTIONS

Lake Success, March 26. The United Nations Assembly President, Carlos P. Romulo, today endorsed the suggestion of the Organisation's Secretary General that immediate steps be taken in a 20-year programme to bring a just and enduring peace for the whole world.

## SHIPPING DELAYED BY FOG

Fog restricted ship movement yesterday, and only five of some 10 expected arrivals entered port.

Local cross-harbour utility craft maintained normal communication without mishap.

An unconfirmed report declared that one of the ferry launches was diverted from its original destination to Stonecutters Island. Besides the momentary shock of finding themselves "stranded" in mid-harbour, the report further said, the passengers disembarked none the worse for their experience.

The fog which started to veil the fringe of Hong Kong waters over the week-end began to lift later in the evening yesterday. Ships arriving reported being delayed by bad weather outside British waters. Only three ships arrived on Sunday. Others were able to pass through Lyceum yesterday, when the weather cleared.

It was stated last evening that the Star Ferry fleet began operation as usual at 6 a.m. The launches maintained normal schedules without any incident.

The Hong Kong-Yamutai Vehicular Ferry Company also declared that its fleet operated as usual. None of the "X" craft was endangered at any time during the fog.

## Nothing new on Shanghai evacuation

Tokyo, March 27. State Department and steamship officials have no further word regarding negotiations for the evacuation of some 2,000 foreigners from Shanghai.

Negotiations are presumably continuing between officials in Hong Kong and Chinese Communist authorities in Shanghai. No reports of developments were received here over the week-end.

Two LSTs remained outside the river entrance to the Chinese port awaiting a possible change in the Chinese Communist ban on their entry.

The General Gordon, which was originally due to transport the evacuees, continued on her way to Honolulu. The vessel left Yokohama on Saturday and, making 400 miles a day, may now be too far distant to turn around.

It is not known here whether other passenger ships sufficient size for the evacuation are in Oriental waters.

American President Line officials said they do not have any large vessels in this area now.

## RADIO

Radio Hong Kong broadcasts on a frequency of 845 kilocycles per second and on 532 megacycles per second in the 31 metre band.

H.K.T. P.M.

12.10—Broadcast for Schools—History—  
"Was There a Pansy Castaway?"—How Alexander Selkirk was found on Juan Fernandez Island. (DDCTB)

12.30—"Hong Kong Calling"—Programme summary.

1.15—At Jeddah and the Mills Brothers.

12.45—Melodious from British Radio—  
With George Crow and His Blue Mariners Orchestra & Barbara Burrows. (DDCTB)

1.15—News, Weather Report and Announcements.

1.35—Interlude.

1.50—"Orchestra of the Week"—The Melodious Orchestra.

2.00—"Globe Down Calling"—Programme Summary.

2.05—New Concert: Novelty Ensemble—  
Lina D'Amico (Vocal).

2.30—Grand Solo.

2.45—Cantonese by Radio, Given by Miss Lee Wai Lan & S. K. Lee. (Over)

2.55—Marie Wells and His Tango Orchestra—  
World News and News Analysis (London Relay)

3.15—"Letter from America"—By Alice Lake Cooke (Relay Relay).

3.30—Stage and Screen Favourites Presented by Allen Woods. (London Relay)

3.45—"From the Editorials" (London Relay)

3.55—"Box 200"—Port Gifford at the Hammond Organ. (Relay from the Forces Collection Centre)

4.10—"The Blue Danube"—The True Story of the Strauss Family and Their Contemporaries. (R. 4)

4.30—"Forum of the Air"—Commentary by P. S. Cassidy, Alison Dalziel, Rev. Father T. P. Ryan, S.J., Guest, Christopher Reed. Correspondents for the New York Herald Tribune. (Studio)

4.50—"The New Concert Orchestra"—  
2.27—Phase—Musical by "Trend" Yuen (Studio)

10.00—"The New York News"—(London Relay)

10.15—"The New York News"—The Main Edition—Orchestra. (DDCTB)

10.45—"Dancing Time with Gipsy"—  
11.15—"Weather Report, World News and Home News"—(London Relay)

11.30—"The New York News"—(London Relay)

## CANTONESE BY RADIO

BY S. K. LEE

Lesson 33	
Vocabulary:	
157. (tut) dut(3)	A pair. Opposite. To face.
158. (kaal) (1)haaye	Shoes.
159. (kaal) (3)mut	Socks. Stockings.
160. (cheung) (1)cherng	Long. Length.
161. (tut) dut(3)	Short.
162. (laan) (3)laan	Over-ripe. Beautiful. Handsome. Pretty.
163. (long) lehng(3)	Opposite. The opposite side.
Combinations:	
1. Dui(3) (1)moon	I say (said) to him.
2. (2)ngaw dui(3) (2)kui	To be facing.
3. Dui(3) (3)jue	Sorry. Excuse me. Pardon me.
4. Dui(3) (3)jue	One pair of shoes.
5. Yut(1) dui(3) (1)haaye	How long?
6. Gay(2) (1)cherng	Stockings.
7. (1)cherng (3)mut	A gown.
8. Duen(2) shuan(1)	A jacket.
9. Dui(2) (3)laan	To break.
10. Dui(2) (3)laan	To wear-out. Worn-out.
11. Jek(3) (3)laan	Immediately. At once.
12. Dui(1) duk(1)	Someone has come to see you.
Conversations:	
1. Seen(1)-shaang(1)	Someone has come to see you.
(2)ngaw - (1)yun	Shall I tell him to come in?
2. Geeco(3) (2)kui (3)jue	What clothes is he wearing?
(3)kui jek(3) mut(1)	He is wearing a worn-out jacket, an old pair of shorts and worn-out socks and shoes.
3. M. (2)kui jek(3) mut(1)	Oh! Tell him that.
4. S. (2)kui jek(3) mut(1)	I'm not in.
(3)kui jek(3) mut(1)	Someone has come to visit you.
5. M. (2)kui jek(3) mut(1)	Shall I invite him in?
6. S. (2)kui jek(3) mut(1)	What clothes is he wearing?
(3)kui jek(3) mut(1)	He is wearing a new pair of trousers and nice socks and shoes.
7. M. (2)kui jek(3) mut(1)	Oh! Why don't you ask him to come in immediately?
8. S. (2)kui jek(3) mut(1)	

# LATTIMORE DENIES CHARGES

Washington, March 27. Owen Lattimore denied today a pure moonshine charge that he is Russia's top spy in the State Department and the United States.

Mr. Lattimore, an expert on Far Eastern affairs, called the Associated Press from Afghanistan where he is on a United Nations mission.

He will be home in a few days and promised to answer the charges in detail then.

Mr. McCarthy, Wisconsin Republican, had described Mr. Lattimore privately to newsmen as "the man connected with the State Department—whom I consider the top Russian espionage agent in this country."

This information was made public last night in a radio broadcast.

Mr. Lattimore, replying to a request for comment from the Associated Press last Friday, said in his cable:

"McCarthy's off record charges are pure moonshine. Delighted his whole case rests on me as this means he will fall flat on his face. Exactly what he has said on record unknown here, so cannot reply in detail, but will be home in a few days and will contact you then."

Mrs. Lattimore, residing in Baltimore, Italy, denied Mr. McCarthy's earlier public charge made on March 13—that her husband was pro-Communist. And Dr. Detlev W. Bronk, president of Johns Hopkins University, said then: "I am sure that Professor Lattimore will be quick to deal with these charges on his return to this country."

Mr. Lattimore, aged 49, is Director of the Walter H. Page School of International Relations at Johns Hopkins.

Last night the columnist, Digby Pearson, on his weekly radio broadcast, named Mr. Lattimore as the man Mr. McCarthy accuses of being the Soviet Union's chief spy in the United States. Mr. Pearson added: "I happen to know Owen Lattimore personally—and I only wish this country had more patriots like him."

Mr. McCarthy's charges of Communism and fellow travellers in the State Department are being investigated by a Senate foreign relations sub-committee. He has said he is willing to let all of his charges against the State Department stand or fall on the outcome of the Lattimore case.

The committee is being trying to obtain FBI and other Government loyalty files on persons accused by Mr. McCarthy. In an effort to judge the accusations—Associated Press.

## Tug returns with tow

The salvage tug Caroline Moller returned to port yesterday with the Chinese tug Ocean Pride and a tanker in tow.

The Ocean Pride, of Shanghai registry, ran aground off Corregidor, Philippines, and damaged a screw when she was on her way to pick up the tanker. She refloated herself and reached Manila where she was repaired and certified seaworthy.

En route from the Philippines with the tanker in tow, the Chinese motor vessel had engine breakdown. The Caroline Moller was sent to bring both vessels into Hong Kong as a precautionary measure.

The three craft entered port safely yesterday after a rough journey in bad weather in the Pacific.

## Rediffusion

A.M.	
7.00—Up With The Sun.	
7.15—Setting Up Exercises.	
7.30—Musical Clock.	
7.45—My A. K. K. Program.	
8.00—Radio Weather Forecast.	
8.15—Salon Concert Players.	
8.30—Morning Melody.	
9.30—Concerts & Karaoke.	
10.00—Music For All.	
11.00—The Four Knights.	
11.15—Waltz Time and the Orchestra.	
11.30—Parade of Rhythms.	
P.M.	
12.00—H.K. Stock Exchange.	
12.15—B.B.O. School Broadcast.	
12.30—Light Music.	
1.00—Swing.	
1.15—News.	
1.30—From The Shows.	
1.45—Variety, Calls The Tune.	
2.00—The Saturday Quiz.	
2.15—Tropics.	
2.30—Vocalists: Young.	
2.45—Music Makers.	
3.00—The Great Concert.	
3.15—Radio Headlines.	
3.30—Theater News.	
3.45—The New News.	
4.00—The New News.	
4.15—The New News.	
4.30—The New News.	
4.45—The New News.	
5.00—The New News.	
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11.15—The New News.	
11.30—The New News.	
11.45—The New News.	
12.00—The New News.	

# PROBIRA COMPANIES

## PENINSULAR & ORIENTAL S.N. CO.

PASSENGER/FREIGHT SERVICE		
OUTWARDS	LEAVES LONDON	DUE HONGKONG
aa. "CANTON"	Sailed	12th April
aa. "CORFU"	14th April	18th May
aa. "CANTON"	14th May	18th June
Via Southampton, Port Said, Aden, Bombay, Colombo, Penang & Singapore.		
HOMEWARDS	LEAVES HONGKONG	DUE LONDON
aa. "CANTON"	14th April	18th May
aa. "CORFU"	14th May	18th June
aa. "CANTON"	14th June	18th July
aa. "CANTON"	14th July	18th August
aa. "CORFU"	14th August	18th September
aa. "CANTON"	1st September	2nd October
Accepting Cargo for Singapore, Penang, Colombo, Bombay, Aden, Port Said & London.		

FREIGHT SERVICE		
OUTWARDS	DUE HONGKONG	FROM
aa. "SHILLONG"	14th April	London & Continent
aa. "SOUKHA"	14th May	—
aa. "SHILLONG"	14th May	FOR
aa. "SHILLONG"	22nd April	Kobe & Yokohama
HOMEWARDS	LEAVES HONGKONG	FOR
aa. "SOUKHA"	12th April	London & Continent
aa. "SHILLONG"	14th May	—
Accepting Cargo for Singapore, Port Said, Aden, Bombay, Penang, Colombo, Aden, Port Said, Genoa, Marseilles, London, Hamburg, Antwerp & Rotterdam. With liberty to call at Bombay if convenient.		

## BRITISH INDIA S.N. CO. LTD.

aa. "TAIRA"	Due 20th Mar.	from Japan
aa. "SANGOLA"	Due 10th Apr.	from Japan
aa. "SANGOLA"	Sailed 11th Apr.	for Straits, Rangoon & Ceylon
These ships have Refrigerated Cargo space.		
P. & O. E. JOINT SERVICE		
aa. "PUNJA"	In port	from Bombay
aa. "EVROS"	Sailed 21st Mar.	for Japan
aa. "EVROS"	Due 10th Apr.	from Japan
aa. "EVROS"	Sailed 11th Apr.	for Straits, Colombo, Bombay, Karachi & Persian Gulf
aa. "OLARDA"	Due 19th Apr.	from Persian Gulf, Bombay & Straits
aa. "OLARDA"	Sailed 21st Apr.	for Japan
Accepts cargo on through Bill of Lading for Persian Gulf Ports		

## EASTERN & AUSTRALIAN S.S. CO. LTD.

aa. "NELLORE"	Leads 9th Apr.	for Manila, Rabaul, Brisbane, Sydney, Melbourne, Adelaide, Wellington, Auckland, Lyttelton & Dunedin. Calls Port Moresby if sufficient inducement.
Accepts cargo for New Zealand & Pacific Island ports on through bills of lading.		
All vessels have liberty to call at any port on or off the route, and the routes and sailings are subject to change or amendment with or without notice.		

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## DIRECT MONTHLY SAILINGS TO NEW YORK VIA LOS ANGELES AND PANAMA

"STEEL ADVOCATE" Sailed 10th May  
Tanks available for Bulk Oil

## SAILINGS TO SAIGON, BANGKOK & DJAKARTA (BATAVIA)

"STEEL VENDOR" Sailed 3rd Apr.  
"STEEL VOYAGER" Sailed 28th Apr.  
"STEEL VOYAGER" Sailed 28th Apr.  
"STEEL VOYAGER" Sailed 28th Apr.

## ARRIVALS FROM U.S.A.

Sailed N.Y. Sailed S.F. Due H.K.  
"STEEL VENDOR" Sailed 2nd Apr.  
"STEEL VOYAGER" Sailed 10th Apr. 28th Apr.  
"STEEL VOYAGER" Sailed 28th Apr. 28th Apr.

## GILMAN & CO., LTD.

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Chinese Freight Agents—HIN KAT & CO., LTD.  
Tels. 28823, 28853 & 28483.

## SWEDISH EAST ASIA CO. LTD.

ARRIVALS FROM EUROPE  
m.v. "NAGARA" Sailed 13th Apr. In Port  
m.v. "HEMLAND" Sailed 29th Apr.  
m.v. "TONGHAI" Sailed 24th May  
m.v. "DALI" Sailed 24th May

## SAILINGS TO EUROPE

m.v. "NAGARA" Sailed 13th Apr.  
m.v. "HEMLAND" Sailed 29th Apr.

ADEN, PORT SAID, GENOA, MARSEILLES, TANGIER, CASABLANCA, ALGER, BORDJ, ORAN, HAMBURG, COPENHAGEN, GOTHENBURG, STOCKHOLM, SWEDEN.

Passenger accommodation available.

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## D.P.L.

### ROYAL INTEROCEAN LINES

**SINGAPORE, JAVA PORTS and MACASSAR**

Ship	ARRIVALS	SAILINGS
"TITJALENGKA"	4th Apr.	9th Apr.
"VAN HEUTZ"	8th Apr.	13th Apr.
"TJISADANE"	21st Apr.	26th Apr.

\* Only to Singapore, Penang & B. Deli

**MANILA, EAST & SOUTH AFRICA & SOUTH AMERICA**

"BOISBEVAIN"	13th Apr.	10th Apr.
"STRAAT BOENDA"	13th Apr.	14th Apr.
"STRAAT MALAKKA"	2nd May	17th Apr.
"TEGELBERG"	13th May	1st May

**Agents: HOLLAND - EAST ASIA LINE**

**EUROPE via MANILA and MALAYA**

Ship	ARRIVALS	SAILINGS
"HOOGKERK"	10th April	6th Apr.
"MEERKERK"	early May	14th Apr.
"RYNKERK"	early May	early June

Through B/L issued to Mediterranean and Northern European ports.

**JAPAN**

"BOISBEVAIN"	9th Apr.	17th Apr.
"STRAAT BOENDA"	13th Apr.	14th Apr.
"STRAAT MALAKKA"	2nd May	17th Apr.
"TEGELBERG"	13th May	1st May

**Agents: HOLLAND - EAST ASIA LINE**

Through B/L issued to Mediterranean and Northern European ports.

**JAPAN**

"HOOGKERK"	5th Apr.	17th Apr.
"MEERKERK"	1st May	early May
"RYNKERK"	early May	early May

**KING'S BUILDING, TELEPHONES: 20015 TO 20017**

**CHINESE AGENTS: 42, CONNAUGHT ROAD, C. TEL: 2901, 2902**

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### INAUGURATING NEW FORTNIGHTLY EXPRESS SERVICE

**M.V. "FERNSTREAM"**  
LOADING 2nd APRIL

**M.V. "TALLEYRAND"**  
LOADING 17th APRIL  
FOR  
PACIFIC AND ATLANTIC COASTS  
Via Japan.

Transshipment cargo accepted for  
South American and West Indies Ports.

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## DE LA RAMA LINES

Sailing to New York, Baltimore, Philadelphia,  
Via Japan and Pacific coast ports

M.V. "AGAMEMNON" ..... 23rd Apr.

Arriving via Manila from  
U.S. ATLANTIC & PACIFIC COAST PORTS

M.S. "DONA NATI" ..... In Port  
M.V. "BENGAL" ..... due 15th Apr.  
M.S. "DONA ANICETA" ..... due 3rd May

**BUTTERFIELD & SWIRE**  
Agents  
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**PRINCE LINE LTD.**  
(Trans-Pacific Service)

M.V. **SILVER WALNUT**  
LOADING 1st APRIL

LOS ANGELES, SAN FRANCISCO, PORTLAND,  
TACOMA, SEATTLE & VANCOUVER.  
Due Los Angeles 25th April

**JARDINE, MATHESON & CO. LTD.**  
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## FINANCE AND COMMERCE

### SCHUMAN SAYS:

# ECONOMIC UNION WITH GERMANY PREMATURE

Paris, March 26.

M. Robert Schuman, the French Foreign Minister, said tonight that suggestions for a Franco-German economic union are still premature. An economic union cannot be attained before a certain degree of political understanding has been reached, M. Schuman said in a speech to the National Committee of the Popular Republican Movement.

While stressing that there had been a rapid evolution in French policy towards Germany during the past 18 months, M. Schuman said: "We cannot skip any of the rounds in Franco-German relations."

Observers here believe that these remarks were a reply to recent suggestions by the West German Chancellor, Dr. Konrad Adenauer, for a Franco-German economic union.

It is still too early perhaps to do away with the barriers between France and Germany, Mr. Schuman said. "We cannot evade the political problem by talking only economics," he added.

The French Foreign Minister said that one of the principal conditions for Franco-German understanding is Germany's adherence to the Council of Europe. France does not consider the Saar question to be an obstacle to an understanding. The Saar problem will be reviewed with the whole German question when peace negotiations are begun, M. Schuman said.

"We shall then have to take account of (1) the wishes of the Saar population; (2) the rights of France; and (3) the result which have been secured," said M. Schuman, adding that in any case there would be no unilateral decision.

**Planning for future**

Referring to the Council of Europe, he said: "We cannot undertake yet a transfer of sovereignty but we can envisage it. First we must obtain for the European Assembly the military authority that she needs and improve relations between the Assembly and the Committee of Foreign Ministers."

"We must put out the shelters in great haste," the French Foreign Minister said. "But that does not prevent us from planning for the future. First Europe wishes a lasting solution to the Franco-German problem, then the French Union of Nations and finally, perhaps, the Atlantic community, which would remove from the Atlantic Pact its too exclusive military character," M. Schuman said.

The French Foreign Minister said that the present lull in the international situation is perhaps due to certain resistances which the Soviet Union has encountered and also to the difficulties which Russia has met in China.

He added that he believes the United States is ahead of the Soviet Union with atomic weapons.—Reuter.

## Hong Kong Stock Exchange

This week has opened as the last closed, dull, flat and unprofitable.

**H.K. GOVT. BONDS**

4% Loan 1944 & 1949 95 1/2

5% Loan 1944 & 1949 94 1/2

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## U.K. clothes to cost more

London, March 26.

More increases in clothing costs were forecast here today when the Raw Cotton Commission announced rises ranging from a half-penny to four-pence a pound for certain types of raw cotton.

Some American qualities are up by a half-penny a penny per pound; some Brazilian, East African, West African, and Haitian by a half-penny; certain Egyptian types by two-pence; West India by three-pence; and East India by two-pence to four-pence.—Reuter.

Dr. Boeckler, who has opposed inflationary wage claims since the occupation, said that labour circles felt that the expected drop of food and consumer goods prices had not taken place. Therefore, unions would probably ask for more pay for their members to restore the proper equilibrium between prices and wages.

The unions would present their case with all the vigour at their disposal, he said.

Dr. Boeckler added that they had already put their views strongly at a recent conference with the Economic Minister, Professor Ludwig Erhard.

They also claimed that the cost of living index used by the Government did not present a true picture of the price structure.

The official cost of living index, taking 1938 as 100, was 154 for a working class family of four in February. This compared with the official figure of 168 for February last year.—Reuter.

**Britain's motor car exports**

London, March 26.

More cars were manufactured in Britain and more exported, during January than in any previous month, the Society of Motor Manufacturers and Traders announced.

A total of 10,000 cars and 4,900 commercial vehicles, were made each week in January—500 more cars per week than the previous record in October, 1949, but 100 fewer commercial vehicles than the November record.

Export figures also set records; 30,700 cars and 10,300 commercial vehicles were shipped out of the country in January—both figures higher than in any previous month.

Australia bought the most—11,800 cars and 3,850 other vehicles. Canada came next, with 5,750 cars, compared with eight in January, 1949. No figure was given for commercial vehicles to Canada.

Shipments to the United States are handicapped by high boat charges, and rates are now under review by Shipping Conferences.—United Press.

**NOTICE TO CONSIGNEES**

From BOMBAY, COLOMBO & STRAITS

Consignees per ship

m.s. "PEMBA"

are hereby notified that their cargo will be discharged into the Hongkong & Kowloon Wharf & Godown Co., Ltd., where it will lie at consignees' risk and expense and subject to terms and conditions of storage of the Hongkong & Kowloon Wharf & Godown Co., Ltd. The cargo is expected to be ready for delivery from the Godown on and after March 23, 1950.

Cargo is considered as being accepted in good order and condition by consignees, unless broken, chafed and damaged packages are left in the Godown for subsequent examination by Messrs. Goddard & Douglas in the presence of consignees at 10 a.m. on April 1, 1950.

To comply with the General Bonded Warehouse Regulation, consignees must have a Revenue Officer in attendance when dutiable goods are examined.

All damaged cargo claims against the steamer must be presented to the undersigned on or before April 18, 1950, or they will not be recognised.

No fire insurance will be effected.

No claims will be admitted after the goods have been taken delivery of ex ship's side or alternatively ex the Hongkong & Kowloon Wharf & Godown Co.'s premises unless a joint survey has previously been effected.

MACKINNON, MACKENZIE & CO.

Agents

B. I. S. N. Co., Ltd.

Hong Kong, March 26, 1950.

**APL EARNINGS**

San Francisco, March 26.

American President Lines' earnings for the first quarter of 1950 were reported as \$2,017,250, equal to \$2.49 a share on class A stock.—Associated Press.

**AMERICA TO BUY ISRAEL SHOES**

Haifa, March 26.

A large order for Israel manufactured shoes has been placed by American Importers.

The Israel Rubber and Shoe Factory "Hamagor" in Haifa, Bay, has been given the order by America for tens of thousands of dollars, according to informants. This is the first shoe export from Israel.—Associated Press.

**SHIPS COLLIDE**

Hamburg, March 26.

The United States steamer Algonquin Victory, 7,002 tons, and the Icelandic motor ship Godafoss, 2,905 tons, were in collision today in dense fog in the Elbe Estuary. The Hamburg ships' reporting centre reported tonight.

There was neither damage nor casualties and the two ships arrived here tonight under their own steam.—Reuter.

**SHIP MOVEMENTS**

San Francisco, March 26.

The steamship Sea Serpent arrived from Manila. The tanker Carlsbad sailed for Japan.—Associated Press.

**Money Market**

US dollars dropped somewhat heavily yesterday when the market re-opened after the week-end.

From HK\$6.304 in the morning, sellers forced the rate down to \$6.25 by luncheon time, and it recovered only one point before the market closed.

It opened at HK\$6.34. At luncheon time it was \$6.31, but it recovered to \$6.33 1/2 by closing time.

Sterling and Australian pounds improved over the week-end and yesterday were quoted at HK\$15.25 and HK\$12.05 respectively.

Plasters dropped to HK\$11.80 a 100 after opening at \$12.50.

Ticals were unchanged at HK\$25 a 100.

NEI Quinders dropped to HK\$11.50 a 100, after opening at \$12.

**STANDARDISING OF RAILWAYS**

London, March 27.

Railway chiefs from Britain's African colonies are meeting Colonial Office officials here today to discuss plans for standardising all railway rolling stock in British Africa.

Delegates to this London conference, including observers from Ceylon and Malaya, will not make decisions, but will take back observations and recommendations to their respective colonies.—Reuter.

**ONE U.S. PRODUCT POPULAR WITH COMMUNISTS**

Seoul, March 27.

It may have been printed by the "capitalist imperialists" but the American dollar is still in wide official use in Communist countries.

A recent American evacuee from Peking, capital of Communist China, brought the information that Russian advisers to the Government of the Chinese People's Republic demand, and get, American dollars for their wages.

"There are rules against taking the ruble out of Russia," he explained. "They don't want the Yen Min Pao (People's dollar) either: it loses its value too quickly."

When he left Peking the JPY was worth 35,000 to US\$1.00.

He said many of the Russian advisers drove American-built cars.—United Press.

**Burma to draw from new loan**

Rangoon, March 27.

U Tin, Burma's Finance Minister, said today that the Government would draw on the new £6,000,000 Commonwealth loan only to the extent that ordinary revenue resources proved insufficient.

The loan, backed by Britain, Australia, India, Pakistan and Ceylon, was announced yesterday.

U Tin told a press conference that the Government would continue to exercise the same stringent economy as at present.

The Government's ultimate aim was not merely to achieve a balanced budget within the shortest possible time but also to produce enough surplus to repay such part of the loan as was actually drawn so that posterity may not be burdened with a loan used for current internal expenditure.

U Tin said that the investigation had severely affected the Government's budgetary position. The year 1949-50 had closed with a total deficit of 10.09 crores of rupees (a crore equals 10 million rupees).

With taxation already at a high level the Government did not see any possibility of increasing its revenues by further increases and, therefore, decided to seek the loan of 18 crores of rupees from Commonwealth countries to meet the deficit.

The £6,000,000 loan now offered was repayable in two years and there were no conditions attached to it, U Tin added.—Reuter.

**SOCIALISATION IN EUROPE**

Witten, March 26.

Exports of European Socialist Parties today began a five-day conference here on problems of closer European economic co-operation.

German Socialists will put forward suggestions for the socialisation of all centres of Europe's heavy industries.

Among other subjects for discussion are the possibilities of extending the international type of authority now existing in the Ruhr to other European basic industries.—Reuter.

**AMERICA TO BUY ISRAEL SHOES**







